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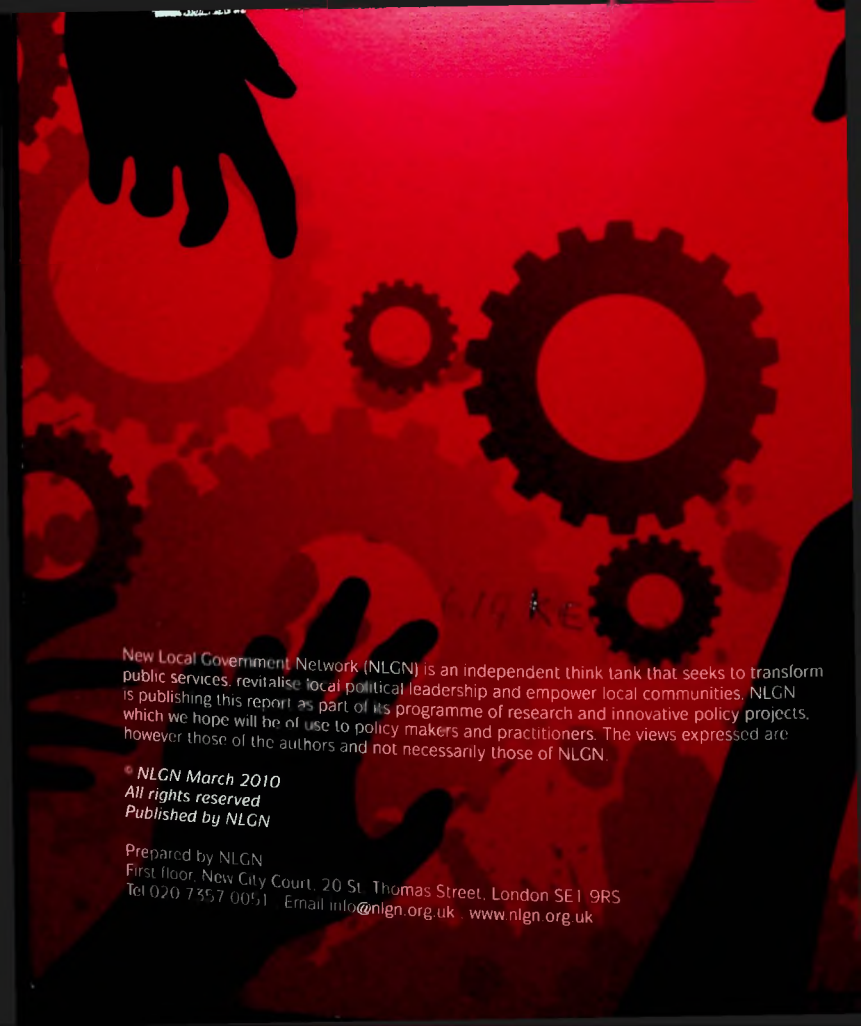
Total Place and the future shape of public services

Nigel Keohane and Geraldine Smith

New Local Government Network (NLGN) is an independent think tank that seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is publishing this report as part of its programme of research and innovative policy projects, which we hope will be of use to policy makers and practitioners. The views expressed are however those of the authors and not necessarily those of NLGN.

Acknowledgements

Foreword

There has been a lot said and written about Total Place. It has caught a mood and created a whole new level of possibility and aspiration. Its aims from the outset were clear; could we deliver improved outcomes for the people who live in the places we serve for less money and could we learn quickly as we went as to how we might do this better. Total Place has found leaders all across the public services, in Whitehall, in places and in agencies who have been prepared to go beyond the familiar and find new and at times highly innovative ways of addressing some of the deep and recalcitrant social issues that we face as a society. People who are prepared to 'proceed until apprehended' in order to serve those who need us most.

This NLGN report builds on the pilots' and parallel places' reports to HM Treasury's budget by capturing some of the enormous volume of work over the last year and helping to make sense of it. At the Leadership Centre for Local Government we have a strong interest in what has been learned throughout Total Place and seeing that put into the public domain. This needs to come from a variety of trusted perspectives so people can make their own sense of it and take their own learning. This report serves this end well. I would encourage you to read it, consider carefully the learning it instances and the conclusions it draws before reflecting on what you might do to further what has already been achieved.

We are at a point where the potential for radical change in public services is a clear and genuine possibility. I am grateful to NLGN and all those who have contributed to the report and to Total Place more widely for showing us the scale of the challenge we face and indicating some of the routes by which this might be addressed.

John Atkinson
Managing Director, Leadership Centre for Local Government

Executive summary

Few Government initiatives or programmes in recent years have caught the imagination like Total Place. National and local politicians, public servants from Whitehall, the Town Hall and other local public agencies, commentators and journalists have all adopted the agenda with a surprising consensus. The key question is whether it lives up to the hype and whether the concept can practically be sustained.

At its most basic – the bringing together of public sector resources to be used more wisely in a local area – it is hardly a revolutionary concept. In fact, it seems little more than common sense. If so, the question should not be why or why now, but rather why not ten, twenty or thirty years ago.

The answer is that it has taken a financial crisis of gargantuan proportions to kick public services out of their collective slumber.

What has differentiated Total Place from its predecessors is the tangibility of the product; financial efficiency but also improved citizen outcomes within the context of a 'place'. Our research demonstrates that billions of pounds of public money can be saved whilst generating significant quality of life improvements across health, employment, drug and alcohol abuse, offender management and children's services with seamless government providing immediate resolution of problems and support at the right stage of citizens' lives.

The big questions that remain are: how can the concept be sustained? If the forces of resistance defeated so many previous attempts, how can we ensure this is different? And does this constitute the next and perhaps final stage of public service reform?

NLGN suggests a series of recommendations in response to these questions:

- a new Department for Devolved Government to subsume CLG and the Cabinet Office to drive devolution across Whitehall;

- devolution of accountability over public health and local policing to local councils;

- a new Place Proposition Agreement through which the national and local state can make deals on devolution of resource and responsibility;

- that all areas engage with mapping their resources and assets as a catalyst for change;

- a Collaborative Leadership Academy to develop, spread and share experiences across the whole public sector.

Converging challenges

There can be little doubt that society faces converging challenges: rising customer expectations; increased demands; a new range of issues such as climate change. However, though these issues should be viewed with increasing concern, they can hardly be considered new and have received continued attention from policy-makers.

Significant are three further dynamics. First, the financial constraint is hitting home. IFS predictions are putting financial cuts across the public sector at 11 per cent from 2011-12 to 2014-15. Pilots are indicating that approximately £7,000 is spent per head of the population in each local area. In some cases, a handful of families can cost the state upwards of £250,000 each. This scale and intensity of spending is concentrating minds on whether there are smarter ways to use resources. Second, a belief is gaining ground that dependency cultures and traditional problem-solving public services are fundamentally the wrong approach. Recognition is gathering that by realigning the frontiers of the state and the nature of citizen-state interaction more can be done to prevent the occurrence of problems earlier upstream, and so breed independence and develop positive social norms. These challenges require renewed democratic legitimacy and leadership. Third, there is a growing appreciation among politicians of all persuasions that nationally-led improvement and innovation are inherently inadequate to meet these challenges. Thus we have seen the Prime Minister and the Leader of the Opposition alike heralding the benefits of devolution.

So does Total Place deliver on its promise?

Opportunities from Total Place

A bright light is being shone on wastage within the current structures, systems and cultures of government. Our current approaches often suffer from multiple, uncoordinated and duplicated interventions, followed by heavy-handed efforts at resolution. As the evidence below in the report suggests these can lead to inefficiency, inconvenience to customers and expensive unreconstructed services: [1]

- Those out of employment often receive up to 19 assessments and reassessments within a twelve month period.

- In the field of worklessness and skills policy in just one London borough there are over 120 projects or programmes, delivered by over 50 public, private or voluntary sector providers, with over 15 funding streams.

- In economic development (excluding education, skills and housing) one area has estimated that it costs national, regional and local organisations £135m to spend £176m on projects.

Whole public service reform can unlock clear benefits to the citizen. These vary from saving taxpayers' money through opportunities to share back office functions or assets through to radical redesign of services where outcomes can be improved at reduced cost.

- Kent's Gateway approach in one area has seen customer satisfaction rise to 98 per cent, from 75 per cent;

- Greater choice and discretion can be given to end users;

- Assessment costs in some service areas can be halved by coordinated action;

- London Councils has calculated that £11 billion could be saved in the capital alone;

- Other areas are estimating savings of 10 per cent or over in service areas such as worklessness;

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[1] Unpublished Pilot Reports; Leicester and Leicestershire, *Total Place Final Report* (2010), p. 6.

- Pilots are indicating that ten per cent can be realistically saved from asset management budgets;

- Birmingham City Council has gauged that the authority's investment in early intervention for children and families will yield £10 to the city for every £1 it spends.

Finally, it is clear that devolution can deliver on its promise. It is the local dimension of the approach that allows a proper citizen perspective to take effect. The pilots are revealing that innovative solutions, rationalising of state activity and service re-design can best be undertaken at the interface with society.

What lies in the way?

Our research, which has included all the official Total Place pilots and many other areas, together with opinions from national politicians and civil servants, reveals the scale of the challenge faced by public services as a whole in adopting better models. Major cultural, operational and architectural barriers exist throughout the public service organism at every tier of government and operations. Most damaging, are the vertical interests that cut through and undermine the interests of 'place' – these take the form of Whitehall departmental thinking, ring-fenced budgets, professional, organisational and sectoral cultures, performance targets, specific departmental budgets programmes, and a reluctance within the centre to let go. In a local area these same silos are replicated through the dependencies in government agencies, in departments within local authorities, between local public sector delivery agencies, and within professional groupings. Each of these spawns its own processes, vested interests, programmes, assessments and interactions with the citizen. Therefore, inherently it results in duplication and fails to consider the whole system.

However, local government currently remains constrained by a structure that leaves it dwarfed by over three to one in terms of the resource that it can bring to bear in its local areas compared to the rest of the public sector. In fact, even of this small budget it is estimated that only a fraction is actually within their discretion.[2] These are all symptoms and conditions of our inherited top-down

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2 Michael Burton, 'Council leaders step up call on local spending', *MJ*, 3 November 2009

approach to government where responsibility and resource remain too distant from the people being served.

Past reforms have failed to confront these powerful dynamics. None have succeeded in establishing a sustainable model of public service improvement. Too little credibility has been given to the advantageous position of the local state and to the leadership required to drive change. Instead political theories have either – as in the case of New Public Management – positively reinforced the hierarchical and vertical cultures and systems of bureaucratic professionalism and command and control or – as in the case of network governance – played an affirmative (horizontal) game within an unsympathetic (vertical) architecture. It is not that the work locally has been wrong but that our partnerships have not been given the freedom to operate.

Over the years, cultural, architectural and operational dynamics have formed themselves into a vicious circle which will remain unresolved without bold and committed action. The scale of the challenge suggests that we should seek both to remove impediments to collaboration whilst also establishing a more conducive environment within which closer collaboration and partnership across the whole state, local leadership and citizen focus can thrive.

Putting democracy at the heart of Total Place

So, how can we sustain the concept?

Many of the decisions thrown up by Total Place are inherently political, and rightly so. Resource allocation, early intervention and decommissioning are all sensitive subjects that should raise highly moral or political debates with which service recipients and citizens should be engaged fully. What if early intervention methods presupposed fewer bobbies on the beat or more problem children in our schools? What if tackling alcohol and drug abuse among a small minority of society implied more expensive liquor for everyone? Have we been overly precious about our treatment of professional groups in the past? Our reforms should seek to set these out in the open. But, this can only be done if resource and responsibility are connected properly across the state.

We must decide how best to balance the mandates that national and local government enjoy independently and thus unleash the ambition of local democratic leadership with the resources that they need to serve the citizen.

This research concludes that it is time for a new model of public services to emerge which can centre its entire focus on the citizen. The very best in local practice is evolving a new style of highly-connected leadership of place, which is increasingly well positioned to confront the difficult challenges that many communities face. This is raising the notion of 'leadership of place' to a new level. This democratic leadership should seek to transcend organisational frontiers, administrative boundaries and imposed time limits. In short, it needs to rise above the artificial parameters established by our historic patterns of government. To succeed leadership must be embedded: rooted democratically in the context of 'place' and within the needs and aspirations of the community; nurtured through close contact and acquaintance with the issues facing residents.

In centring activity in the 'place' wholly on the citizen new connections become possible – frontline managers with access to the full range of funding streams and discretion to act; more meaningful choice across a new range of services; access to community gateways where not one but forty or fifty related problems can be resolved. And new models of support can emerge – where the state seeks to help its citizens avoid major life problems.

Crucially, however, the hindrances that have got in the way in the past must be removed. Local leadership must be empowered by Whitehall devolution and assisted by a willingness within the centre to proactively support collaborative local approaches to circumvent the barriers that stand in the way.

Reforms to embed the new model

Short of wholesale devolution of all public services or comprehensive structural reorganisation, major phased reform is necessary. The long-term ambition should be a mutual and equal partnership of trust and collaboration between central and local government in responding to the challenges in each place, where Ministers feel able to devolve and refrain from intervention in local issues. More immediately, it is necessary to demonstrate realism about the financial savings that Total Place can and should make to public sector budget cuts, whilst sustaining the conditions for enduring solutions to surface. The financial constriction presents both challenges and opportunities. Preventative and early interventions approaches can deliver major savings in the medium to long-term. But we should not simply put them to the bottom

of the pile as we search for more immediate efficiencies. The key is to set them running whilst we seek to unlock more operational savings in the more immediate term.

This is, therefore, a long-term game which requires clear and unequivocal statements of intent and leadership from all concerned: from localities that they can aspire to assume additional responsibilities; from the centre that it is ready to devolve and offer a more coherent strategic vision; from the whole of government that it is ready to focus on the needs of citizens and overcome the structural and cultural barriers that stand in the way. Below we set out some of our key recommendations for change.

Commitment to a 'place'-based approach: pooling responsibility and resource at the local level

As Part III of this report sets out, many of the conditions for failure stem from the centre. In fact, Whitehall reforms and commitment are fundamental to changing the culture of public service management so it is more genuinely oriented around the needs of place. The current architecture of Government departments and processes lacks the ability to execute change across the totality of central functions; it is not enough to have a 'lead department' at CLG imploring other departments to 'do the right thing'. We have therefore concluded that CLG needs to be radically transformed and expanded beyond its current role as cheerleader for community policies and local authorities, and into a core department able to drive change across the whole of Government in the interests of place.

- We propose that a new **Department for Devolved Government**, encompassing the Cabinet Office, Scotland and Wales Offices and the constitutional elements of the Ministry for Justice, should be merged with the existing CLG team.

This new Department for Devolved Government would have one clear and overriding goal: to identify and devolve the powers held in Whitehall relevant to service delivery and improvement, and vest these as appropriate in the executive leadership arrangements of localities. Such a 'super department' with a dynamic objective at its heart would have greater cross-cutting authority, would provide clear strategic input into Treasury funding commitments and would be a more powerful device than a simple additional cabinet committee for total place. Whilst we advocate that in the interim

period the Treasury should continue to lead the Total Place programme, we urge the political parties to reflect seriously on this proposal.

To assist further in the concentration of responsibility and resource in the hands of local leaders we should look to re-balance the state and give local politicians sufficient accountability, discretion and resources to act in the interests of their communities. We therefore recommend that local decision-making and leadership should be strengthened and empowered as stepping stones to fuller accountability at the local level. In turn, local areas should articulate their commitment and readiness to establish greater executive accountability.

- We propose that **accountability over public health budgets and local policing** should be devolved immediately to all local areas and relevant performance priorities be channelled only through the LAA.

- We propose that councils should strengthen existing Local Strategic Partnership arrangements and move towards more focused **Public Service Boards** which should be invested with statutory powers to allow them to assume greater responsibility over these and additional services. These should have strong democratic input and oversight. Areas should also consider seriously the benefits of **strategic commissioning** approaches to maximise larger pools of resource and achieve economies of scope.

- We propose that to cut out unnecessary bureaucracy and to allow full discretion over spend across regeneration, transport and housing, a **single capital pot** with greater longer term certainty should be given to local areas.

'Place' approaches in the context of budget cuts

Beyond this range of forces drawing responsibility and resource to the correct tier of government, areas should aspire and be encouraged to broaden their ambition to reflect their strengths and ability to address local challenges. In this respect, the financial crisis provides an opportunity to both take steps towards the 'place' approach and also unlock efficiencies. The mapping exercise has proved a catalyst for change and should act as a first step to longer term transformation whilst opening up the first tranche of efficiency measures.

- We propose that all areas undertake **ongoing total counts and mapping of capital assets and revenue resources** across their local areas to drive collaborative approaches to public resources and **asset management**. These will open the prospect of significant financial savings without major risks and the prospect of more convenient services for citizens.

Local areas should also look to maximise the contributions of the private and third sector in the area. However, perhaps the most compelling opportunity facing government in a period of restricted finances is the prospect of a more co-ordinated approach to service delivery and resources. Through the lens of Total Place, NLGN argues that new avenues should be explored for the central and local state to meet their shared objectives. In so doing, such methods would allow national government to realise its goals through the more effective medium of the local place. The evidence is clear in a number of service areas such as worklessness and skills where the place can coordinate activity more coherently.

- Recommendation: we propose that the Government should establish a model of **Place Proposition Agreements**, which would be shared agreements between the national and local state to devolve responsibility and resources down to the local level. These should include hard edged deals on responsibility over agreed outcomes, risk and reward on the basis of a robust business case.

  - We propose that a **Treasury-led Cabinet Sub-Committee** be responsible for executing the negotiations on behalf of Whitehall and making the deal.

  - We propose that a **Total Place Progress Joint Committee**, comprising a representative from each existing Regional Leaders Board and the Chairs and vice-chairs of the Treasury, CLG and PASC Select Committees, should be constituted to sit six times a year in public to scrutinise progress and obstacles in the Total Place agenda. This Committee would represent a **new constitutional departing point**, synthesising **national and local scrutiny.**

  - We propose that a **minimum mandated five per cent of total revenue expenditure be dedicated year on year** through these

channels from all domestic departments of state for the first three years of the scheme.

- Methods for **providing assurance to central government** should be explored so that Ministers can be encouraged to delegate responsibility. These should include the possibility of developing legitimate methods of redress, intervention and support within the local government family, with the establishment of an LGA Rapid Response Team.

At the same time, we cannot allow the immediate financial crisis to derail the longer-term goal of better outcomes for lower cost that can arise through preventative methodologies. Such approaches can make major contributions to saving money and enriching lives across acute health, public health and social care, family support services, employment services, offender management and drug and alcohol abuse reducing dependency. However, in many service areas, return on investment in early intervention is often a longer term game. Therefore, organic implementation through effective evidence-gathering, exploiting emerging financial opportunities and composing robust business cases should underpin our approach. These efforts should run in parallel to the reforms we set out above.

- We propose that **five per cent of all savings** made through Total Place approaches should remain in local early intervention pots for future investment.

- We propose that methods be explored to identify common tools and methodologies that can be transplanted to develop **early intervention cost-benefit analysis**. Consideration should also be given to developing outcome and performance metrics that would facilitate potential private sector investment into these schemes and / or would give the certainty to public sector organisations as to how, where and when benefits would be reaped.

Forming and sustaining the conditions for cultural collaboration and leadership

Embedding the vision of new public services will require major capacity building, support and an exposition of a new type of leadership. As set out earlier, Total Place requires stronger, more transparent and more connected local leadership. Leadership abilities will take on a new premium

in the context of the political challenges that will emerge in the longer term, and the financial pressures that will be felt in the short to medium term. Local areas will need to establish methods to bring new experiences into the everyday practices of politicians and public servants which can root their perspectives in the lives, challenges and aspirations of their local communities. But, public sector leadership also needs to broaden its compass across the whole of government to inspire a cohesive and collaborative approach. Immediate steps should also be taken to instil specific **skills and capacity building** around citizen engagement and financial, project and change management.

- We propose that the Leadership Centre for Local Government and the National School for Government should establish a **Collaborative Leadership Academy** to spread learning, experiences, networks and expertise and allow interplay between senior Whitehall staff, other public agencies and local councils. This should include a significant element of **experiential learning** and could include exchanges and placements on the Proposition projects set out above.

- We propose that a **Governing Britain Fast Track Scheme** should be introduced along with cross-sector talent management. In the longer-term, local areas should consider **integrated local public service workforces.**

These reforms offer a natural test-bed through which national and local politicians and partners can establish greater shared trust and mutual inter-dependence. In time, the reforms we set out above can allow the state to be not only more operationally efficient but also open to major political decisions that confront the public sector and society.

PART I

1 *Introduction*

What is 'Total Place'?

Very simply put, Total Place is the converging of all public resources to improve outcomes in a local area. If there is any merit in 'Total Place' it must champion citizen-focus, correlate a more efficient use of public resources around the needs of citizens and communities and improve the lives of individuals and communities.

The Total Place initiative appeared in the public policy arena when 13 pilot areas were announced in the budget on 22 April 2009. The concept emerged out of a number of projects led by the Leadership Centre for Local Government, including *Counting Cumbria* and *Calling Cumbria*.[3] These asked the fundamental question – 'do we really get value for money from all the public money which goes into Cumbria?'[4]

The purpose of the programme was set out by Sir Michael Bichard in Chapter 5 of the Operational Efficiency Programme with thirteen formal pilots established as part of the process.[5]

Support for Total Place

The Total Place initiative has received near unanimous support from national politicians, local politicians, public servants and commentators.

Cross-party political support for Total Place

Politicians from all sides have expressed their approval of Total Place and their commitment to the concept.

In February 2010, Gordon Brown claimed *'total place reforms are*

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[3] LCLG, *Counting Cumbria* (2008); LCLG, *Calling Cumbria* (2008).
[4] http://www.guardianpublic.co.uk/total-place-steria.
[5] HMT, *Operational Efficiency Programme: final report* (2009), p. 12.

potentially transformative in better use of resources: they will allow local government and its partners to reach across all of the funding coming into an area and enable better choices to be made at a local level about how this money is spent'. [6]

In November 2009, Caroline Spelman the Conservative Shadow Cabinet member for CLG said that *'getting the information about spending out in the open is vital to improving efficiency. If communities and councils can look at all the streams of funding being spent in their area – they can identify where there is duplication, where there could be greater coordination and where the resources could be more effectively deployed in another way. ... By lifting the lid on all the departmental spending I know we can get better outcomes in the way taxpayers' money is spent.'* [7]

Cllr Richard Kemp, Leader of the LGA's Liberal Democrat Group, has said that:

"Liberal Democrats should be, and in most cases are, backing the Total Place concept. These are very hard times and with the inevitable cuts in public spending we need to be smarter and sharper if we are to keep vital front line services going". [8]

Such has been the enthusiasm that it has spurned its own offshoots (Total Asset, Total Capital) and at least 70 other areas are exploring the same concept.

The pilots themselves

The pilots have been developed within a particular set of circumstances where they have been given privileged access to the whole public service. These have included Whitehall Champions and a heightened political interest. Overseen by the Leadership Centre for Local Government, the Treasury and CLG, Total Place pilots have undertaken three principal strands of work:

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6 Speech to 'Towards New Politics', 2 February 2010.
7 Caroline Spelman speech at NLGN event, 9 November 2009.
8 http://www.localleadership.gov.uk/totalplace/leadership/cllr-richard-kemp-on-total-place/

'counting' and mapping all public money flowing through the place; 'deep dives' into specific high intensity service areas with a renewed focus on the 'whole citizen'; and 'cultural' work to develop leadership and collaboration. Each pilot has been given a Whitehall champion to take forward discussions at the national level. Since April 2010, a high-level officials' group has been chaired by Sir Michael Bichard, and met every month. The principal role of the group was to support and provide oversight for the work of Total Place at national level, listen to the findings at the local level, ensure that interdependencies are identified and addressed, and to ensure that the project has full support across central government. Above this body of senior civil servants, a Ministerial Group has taken these discussions into the national political arena.

2 *Why 'Total Place'?*

Over the last decade and a half there has been an increasing recognition that post-war bureaucratic approaches to public services are no-longer appropriate for meeting the rising expectations that consumers have of their public services; and that they are insufficiently flexible to meet the varied needs of different geographic communities across the country.[9]

The factory model of service production – which has championed mass-produced standardised service outputs – has reached its shelf-life. The structure of the welfare state has, through creating a safety net, led to an emphasis on citizens as passive recipients.

And, there is no sign that these converging demands are easing.

Rising demand

The increasing discrepancy between government's evaluation of its service improvement and the views of its citizens through satisfaction surveys indicates that either the state is wildly over-estimating its performance or society is expecting ever-more of its public services – perhaps both.[10] Users are coming to expect their changing lifestyles (such as use of technology) to be accommodated, have become unaccustomed to rationing in many service areas and are likely to be assuming that the offer from the private sector should be replicated across the board.[11] This means that it is no longer appropriate to meet a minimum standard of provision.

Demographic changes are also increasing the burden across many of the most costly service areas. The demographic makeup of mainstream society is changing dramatically.[12] A key consequence is that the majority of citizens are no longer in the age profile that government expects or has typically targeted and are the young and the old who are high service users and low tax contributors.[13] By 2031, 32 per cent of households will be headed by those aged 65 or over, up from 26 per cent in 2006.[14]

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9 Dick Sorabji, *Pacing Lyons: a route map to localism* (NLGN, 2006)

10 For instance, compare IPSOS MORI polls with CPA outcomes.

11 Chris Leslie, *Managing Delivery: New Public Service Architecture for the 21st Century* (NLGN, 2008).

12 http://www.statistics.gov.uk/cci/nugget.asp?id = 1352 as viewed 23 September 2009

13 http://www.statistics.gov.uk/pdfdir/pproj1007.pdf

14 CLG, *Household Projections to 2031* (March 2009)

Emerging challenges

On the horizon are challenges such as climate change that do not conform to ordinary paradigms of public service delivery. At the same time, complex issues have evaded resolution by the public sector. Westminster City Council for instance found that just 3 per cent of the families in the borough consumed some 80 per cent of related resources.[15] It is being recognised that many such high-resource intensive interventions are dealing with entrenched, complex and inter-generational problems that cannot be resolved through simple one-off solutions.

These new and converging challenges require innovation from all corners of the public sector and, crucially, at the interface with the public.[16]

'Public value' and the purpose of public services

There is an increasing recognition that to tackle the challenges faced by 21st century Britain a different relationship between citizen and state must take root. Government is no longer merely a service provider but is adopting a leadership role in understanding and supporting its communities. Essential is knowing what individual citizens want and need and what the options are for facilitating this. Whether it is in obesity or climate change, many of the challenges require the state to lead behavioural change within their community. Therefore, as Professor John Benington has argued, the public sector needs to ask itself: 'What does the public value most? What will add most value to the public sphere? What are the key outcomes we most want to achieve jointly with citizens, communities and other stakeholders?'[17]

Social capital

At the same time, shortage of money has led a wider reconsideration of the role of the state and whether services currently provided by government could more usefully be produced in conjunction with citizens and communities. This in turn has necessitated an appreciation that latent social capital can only be unlocked at the local interface between public services and the citizen. Co-production techniques, where the state and the citizen each contribute to the service outcome, are being developed that can not

15 LCLG, *Thinking Family: a new approach for tackling social breakdown: Westminster City Council's Family Recovery Programme* (2009)

16 HMT, *Operational Efficiency Programme: final report* (2009), Chapter 5.

17 Professor John Benington, Presentation to NLGN Policy Summit (November 2009).

only provide a solution to the citizen or community but also that can save resource within the state.[18] Emphasis on personal responsibility is seeking solutions to a "dependency culture" created by public service provision which has encouraged a reliance on the state. For instance, recent research has shown that within primary care the existing dependency culture costs £2 billion a year.[19]

As the Government has concluded, if the current pressure and demand on public services is to be reduced, it is imperative that the state takes a role in guiding the actions and behaviours that people choose in life, linked to public attitudes, values, aspirations and a sense of self-efficacy.[20] These approaches require greater legitimacy and leadership in government.

18 Nigel Keohane, *People Power: how can we personalise public services?* (NLGN, 2009)

19 'Primary care "dependency culture costs £2bn a year"', *Management in Practice*, 10 December 2009.

20 Cabinet Office, *Achieving culture change: a policy framework* (2008).

3 *Why Total Place now?*

Two particular dynamics are now forcing a renewed take on these issues. In the first instance, there is increasing recognition that public services should be devolved, localised and located in a 'place' to see improvement. The political uncertainty in the short-term and the damage to national political democracy has also spurred this on. Second, the financial constriction in the short, medium and long term is forcing national and local public services to reconsider service models.

Financial cliff-face

We are in unprecedented financial times. The full impact of the financial crisis is yet to be felt on the public sector in Britain. However, it is imminent. The recent recession has followed a 16 year period of economic expansion. The current Government has responded with a short term fiscal stimulus package and long term fiscal tightening starting in 2010-11, increasing in size until 2017-18. Whichever national party forms the next administration commentators are expecting an emergency budget. Predictions from both major national political parties set out marked reductions in public expenditure unseen for generations.

Fiscal tightening is expected to reach 6.45 per cent of national income in 2017-18, finally offsetting the structural budget deficit created by the credit crunch. Current expectations are that cuts in public service resource will contribute 50 per cent of this reduction. The Treasury expects a further fiscal squeeze of 3.2 per cent of national income over the period from 2014-2015 to 2017-2018.

Figure 1 Illustration of public investment forcast from the IFS [21]
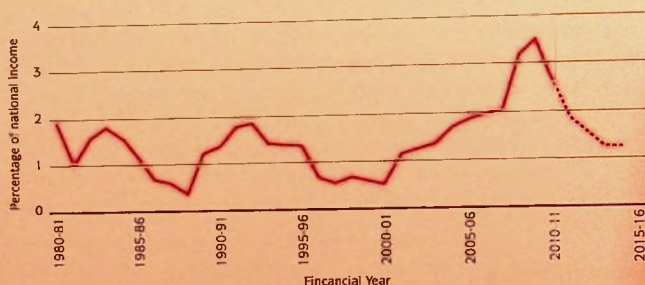
The challenges to the public sector are further heightened by an increased demand for public services through the economic downturn, including housing benefit, debt and welfare advice and business support.[22]

Demands for savings from within and across public sector organisations are anticipated to be upwards of 11 per cent over the next four years, with some predicting much more dramatic cuts in budgets.[23] Research reveals that 97per cent of council chief executives, deputy and assistant chief executives are planning for funding cuts. Of these, 55 per cent said they were planning for decreases between 10 per cent and 20 per cent, while just over one in ten said they were preparing for cuts between 20 per cent and 30 per cent.[24] While councils achieved significant reductions in expenditure in the last efficiency drive (saving £4 billion over the last 5 years), upcoming cuts dwarf the previous Gershon efficiency regimes. What is more, traditional efficiency approaches that conformed to organisational and sectoral boundaries and which focused on producing the same product for less are becoming insufficient for the challenge ahead. Total Place encourages areas to look

21 Institute for Fiscal Studies, *The IFS Green Budget February 2010* (2010), p. 188.
22 Audit Commission, *When it comes to the crunch: How councils are responding to the recession* (2009).
23 Institute for Fiscal Studies, *The IFS Green Budget February 2010* (2010), p. 183.
24 James Illman, 'Funding cuts dictate the agenda', *LGC*, 13 September 2009.

through a different lens at public sector efficiency, which can lead to more allocative efficiency in public service provision, elimination of duplication and waste in the system, together with greater societal independence from the state and better resolution of the problems.

Devolution, public policy and place

In the financial context that we find ourselves, limitations of current centralised approaches are becoming clearer and harder to defend. The marked financial investments in many centralised public services have not seen commensurate improvements in productivity. In some cases productivity has flat-lined, in others it has actually fallen.[25]

The UK has previously been criticised as being one of the most centralised countries in Europe.[26] Literature has exposed the complexities and tensions that sit at the heart of the central / local relationship and the unintended consequences that these can generate.[27] However, there is a growing recognition that closer citizen engagement is not possible from Whitehall, and, to fully meet the needs of local people, central government has sought to devolve responsibilities and decision making to the local level. Reforms have included Sustainable Community Strategies, the Sub-national review of economic development, the Central-local concordat and the Sustainable Communities Act. Most recently, the Conservative Party has promised that, if elected to power, it would legislate for a General Power of Competence to allow councils to act without specific dispensation in the interests of their communities.[28]

In line with this there has been an emphasis on 'place' and the need for coherent and strong leadership. The Local Government White Paper 2006, the Lyons Report and the Local Government and Public Involvement in Health Act 2007 all emphasised the need for a focus on an area as well as people through strengthening of the "Place Shaping" agenda.

25 House of Commons, Home Affairs Committee, *Police Funding* (2006), p. 7; ONS, *Public Service Productivity: Healthcare Summary* (January 2008)
26 Roger Gough, *With a Little Help From Our Friends: International Lessons for English Local Government* (LGA, 2009)
27 Professor Steve Martin, *Meta-evaluation of the Local Government Modernisation Agenda The State of Local Services: Performance Improvement in Local Government* (CLG, 2009), p. 8.
28 Conservative Party, *Control Shift: returning power to local communities* (2009)

Finally, over the last twenty years we have seen significant changes in our approaches to public service delivery. The mid-1990s saw the advent of New Public Management Theory with its target-led improvement. Subsequently, network governance has sought to connect the state through informal, social and increasingly formal cooperation mechanisms. Local Strategic Partnerships emerged as a method to consult, engage and ultimately align the resources of local partners. Spin-offs such as Children's Trusts have been invested with statutory responsibilities. Most recently there has been an increasing focus on citizen outcomes through Local Area Agreements, Multi-Area Agreements, national government's Public Service Agreements and the Comprehensive Area Assessment.

However, it is unclear that any of these approaches alone remain a viable model to respond to the emerging challenges articulated earlier. In line with this scepticism, the Government's *Smarter Government White Paper* published in December 2009 set out a number of proposals for reform, including revisiting the types of performance targets to which local areas are subjected and pooling together capital budgets to allow discretion of local spend.[29]

The question remains whether Total Place is the method to realise these converging ambitions. Does it go beyond operational efficiency and offer a wider paradigm shift in terms of the citizen-state relationship or for inter-government connections? Will it actually help the state address some of its most long-standing discrepancies? Does it provide any sort of solution to two-tier versus unitary government or to the English governance question? Could it help us reconcile and harmonise powerful professional arms of the state such as schools and GPs that have frequently stood aloof from wider public sector responsibilities?

29 HM Government, *Putting the Frontline First: Smarter Government White Paper* (2009).

PART II
4 Opportunities for the taking

Early evidence suggests that the pilots and non-pilots are highlighting savings which reinforce the intent of the initiative. Methods and approaches are emerging that can benefit the lives of citizens and communities, reduce costs and improve the way that public services are designed and delivered.

Citizen focus and experiences

Local providers have taken the opportunity to step back and redesign the service from the context of the citizen and their complete needs. This is as pertinent to transactional services as it is to relational services. By bringing disconnected strategy together across the whole government, duplication can be eradicated and intervention streamlined.

Mapping and improving the customer journey

When current provision was analysed, Birmingham encountered this journey for a drug user seeking rehabilitation: [30]

Figure 2

30 *Birmingham Total Place Pilot Final Report* (February 2010)
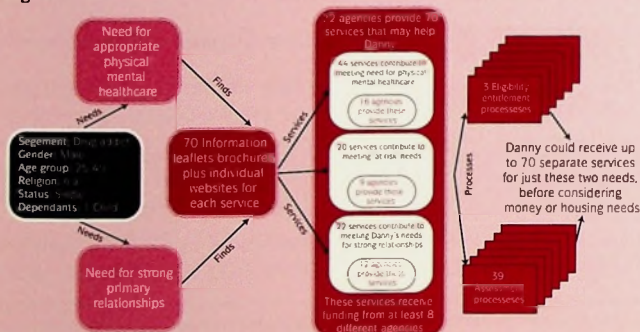
Be Birmingham is, therefore, rationalising the assessment processes and the information on offer to allow the citizen to flow through the system with greater ease. Luton and Central Bedfordshire, meanwhile, has uncovered 50 different benefits each with its own form, rules and administrative machinery. Some forms are over 50 pages long.[31]

The work of Lewisham has also demonstrated complex and incoherent customer journeys. Mapping of the provision available to support people into sustainable employment revealed a cluttered market place, with over 120 projects and programmes, support offered by over 50 different providers, and funded by over 15 different funding streams. Complex clients can undergo a dizzying array of assessments and reassessments per year, with estimations suggesting that almost half of the costs of assessment could be saved through coordinated action.[32] It was found that existing systems are dictated by benefit type, rather than the individual needs of the customer. This fails to factor in the longer term needs of Job Seekers Allowance and Incapacity Benefit claimants, and wider socio economic barriers to employment including health, mental health, substance misuse and housing. Service re-design is being led to integrate these responses more coherently. This is not an isolated incident: West London Alliance and London Councils calculated that in West London 300 different back to work projects are delivered by 100 different organisations.[33]

Pilots such as Kent are redesigning service pathways to offer a more convenient and seamless journey for the citizen.

Case Study

Kent's Gateway approach

Kent County Council and its partners have pioneered the Gateway Approach since 2003. It has brought together over 40 partners to collaborate to respond to the needs of the client and has delivered significant financial efficiencies, including £500,000 from the DWP's Tell us Once campaign. Seven Gateways are now in place, with a view

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31 Luton and Central Bedfordshire, Total Place: Executive Summary (February 2010).

32 Interview; Lewisham Total Place report

33 London Councils, *Manifesto for London* (2010)

to increasing this to 16 by 2012, joining up access at the front end to make it easier for customers, and bringing coherence to back-office processes, to be more responsive and save money. The approach has seen customer satisfaction rise to 98 per cent, from 75 per cent for one district's previous front-of-house service.

A primary Gateway location in each district of Kent offers the opportunity to consolidate customer service staffing resources, increase efficiency in cross-sector transactional processes, and maximise use of key public facing assets.

Having established a network of physical environments and gained customer confidence, the roll-out of satellite and kiosk based integrated service 'hot spots' has become achievable using libraries, schools, health centres, railway stations and voluntary sector buildings, all reducing the need for multiple public sector buildings. This unlocks the potential to realise efficiencies through the disposal of stock that no longer meets the expectations of 21st century public services.[34]

It is evident that a range of techniques can be applied to understand citizens' multiple needs. Historically, we have tended to categorise citizens into specific programmes or service areas. However, a citizen's needs often spill out across a myriad of policy areas and are impacted upon by a complex interplay of external factors including families, relationships and local environment.

Early intervention and prevention

As one interviewee noted, 'We often deal with pressure building up at the front door without looking at the road to the front door'.[35] Whole public service approaches allow agencies to collectively debate the scope to re-engineer solutions and move to earlier support, which may prevent the manifestation of resource-intensive problems in the longer term.

Local areas are now uncovering the scope and scale of the opportunity for preventative services. Many places have looked at entrenched socio-

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34 Kent County Council, *The Gateway Approach* (2009); IDeA, *Kent Gateway Programme* (2009)
35 Interview.

economic problems within specific service areas such as child poverty, family services, worklessness and drug and alcohol misuse. Many of these 'wicked issues' are intergenerational blights and incur massive, ongoing financial costs to the public purse. Along with areas such as Swindon and Westminster, the pilots are adding to a growing body of evidence in support of preventative and early intervention approaches relating to both financial efficiencies and quality of life. This has led to a growing emphasis on changing behaviour among citizens and building resilience and independence through the right type of support at an earlier stage.

Case Study

The Family LIFE Programme in Swindon

Swindon Borough Council recognised that a small proportion of their local families, approximately 120, had multiple complex problems and were costing public agencies a disproportionate amount of money to 'service' – around £250,000 per family per year. These families in crisisi were also having a hugely damaging impact on surrounding neighbourhoods and communities.

There was recognition that a shift was needed in the approach of local public services in working with these families. While numerous agencies were engaged with the families in various ways, the majority of these services were focused on enforcement rather than change.

The family LIFE programme developed in partnership with Participle took a new approach which sought to build on the aspirations of the family to build their own futures and to move away from enforcement and intervention to support for change. It focused primarily on health issues, and it increased daily living support where needed. The shift therefore has been from the individual to the family; from 'doing to' to participation; from viewing individuals as islands to recognising the 'social networks' that surround them; from services designed around need to ones build on civic capability. The project is showing strong early signs of success.

What has come as a surprise has been the prevalence of this potential solution to a whole range of societal challenges – from offender management,

to worklessness, to support for 'resource intensive' families, to health care, through to drug and alcohol abuse. For instance, analysis carried out for London Councils of chronic health and diabetes demonstrates that much more effective and cost-efficient methods could be applied through early intervention.

Figure 3 Emerging model of prevention in health care as developed by PwC and London Councils
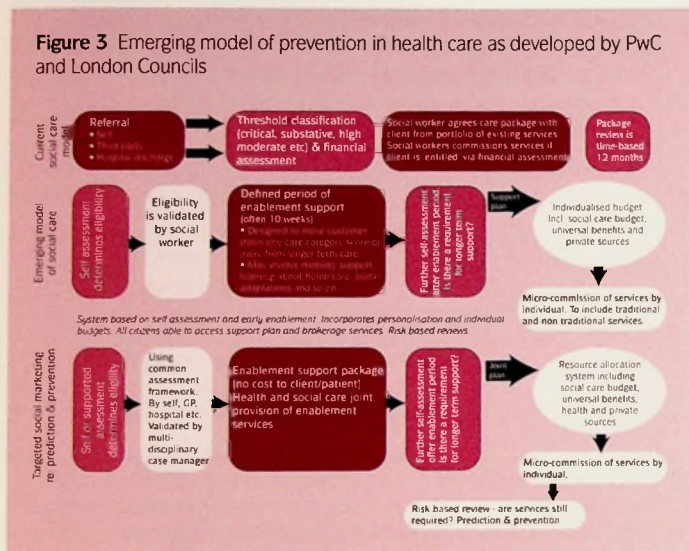
Savings are estimated at 20 per cent accrued largely as a consequence of treating people in the most appropriate care setting and treating conditions before they become so acute that emergency health intervention is needed.[36]

Other areas such as Croydon and Manchester City Region are looking at children and young people.

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36 PwC and London Councils, *Total Place – towards a new service model for Londoners* (2010), pp.16-20.

Case Study

Total Place and Offender Management Project

The London Borough of Croydon; West Sussex County Council; the Ministry of Justice and Capgemini Consulting are currently running two projects to identify new/improved service delivery for adult and youth offenders with the aim of further reducing reoffending; learning from good practice and making improvements to the local delivery model; and further developing the relationship between central government and local strategic partners.

The two projects involve a range of partners who touch the lives of offenders within Croydon and West Sussex respectively. The approach starts with the offenders; understanding their situation and touch points with the multiple organisations with whom they are in contact, to highlight opportunities to intervene differently to reduce reoffending and achieve efficiencies.

Each project will last around 12 weeks with the initial reports out in April, so that Croydon and West Sussex councils and their partners can consider moving into piloting the new approaches on the ground.

In Manchester City Region the focus has been on young children up to five years old. Efforts are being made to facilitate a whole family assessment to take place six weeks after birth by local authority-led teams. In a number of key areas, the pilots have opened up totally new concepts, practices and ways of working.

These innovations stemmed in the main not simply from external expert stimuli but largely from a wider exploration of the opportunities available through interaction with partner bodies and with the citizen. Total Place approaches open up new avenues because they allow a fuller meeting of the contributions of all public service partners and professions, communities and citizens as knowledge generators and as resources and co-producers in their own right [37]

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37 See the Radical Efficiency Model in Sarah Gillinson, Peter Baeck, Matthew Horne, *Radical Efficiency: Delivering Much Better Public Outcomes for Lower Costs Through Innovation* (2009)

Financial savings

Savings have been identified through a number of routes, including:

- reduction of duplication and streamlining of processes;

- reallocation of responsibilities (such as assessment) away from the state towards the citizen and society;

- early intervention preventing expensive downstream implications;

- effective asset utilisation.

The scope for these efficiencies is significant. Areas have suggested that the following savings are possible:

- London Councils have claimed that the capital can save 15 per cent of its budget or £11bn per year by adopting innovative service models;

- the 'Brighter Futures' work in Birmingham showed that an investment in early intervention of £42m over 15 years will yield a benefit of £101m to the council and more than £400m to the city;

- Pilots in worklessness are indicating savings of 10 per cent and over.[38]

Making the most of public service assets

It is estimated that, nationally, public sector property assets as a whole have a book value of £370 billion. This leads to an annual running cost of approximately £25 billion.[39] Pilots such as Kent, Worcestershire and Birmingham have set out major financial benefits. For instance, Worcestershire's Assets programme has suggested that 10 per cent revenue savings can be achieved against its current public sector property asset base by bringing a more joined-up approach to how assets are used, managed and disposed of. Such approaches can also bring significant operational service improvements. Assets can become multi-functional and accessible community hubs allowing closer connectivity to the citizen, co-location and integration. Indirectly, these approaches also open up opportunities to

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[38] Nick Hope and Anna Turley, *We can work it out: Local employment and skills for economic recovery* (NLGN, 2010). These figures are based on three area analyses.

[39] HMT, *Operational Efficiency Programme: property* (May 2009), pp.4-5.

respond to some of the emerging challenges facing the public sector and society more generally. For instance, the Carbon Reduction Commitment is requiring the whole of the public sector to reduce carbon emissions from its public service estate. Using public sector assets more efficiently across a locality can include better management and reduction of energy consumption, and the development of sustainable investment programmes to save resource and meet key environment targets.

Emerging approaches: A Total Property Management

Grant Thornton is developing an approach to the management of assets across a locality called Total Property Management (a GIS based property and land terrier for a locality) through which a comprehensive asset management database can be developed which reflects all the data that the public sector has in its various databases, including the spatial mapping of assets. It will help to eliminate duplication of effort within departments and across organisations and will be a key tool in maximising the use of the physical infrastructure across a locality.

This approach:

- presents new opportunities for integrated property management across a locality;

- explores how information sharing between public sector organisations in a locality can add value to data sets collected and maintained by each, reduce cost and duplication of effort, maximise asset utilisation, and offer a more consistent service for customers.

The outcomes include:

- developing a stronger understanding of the strategic value of assets in a locality and the contribution made by a wide range of organisations providing relevant services;

- providing a challenge to management thinking on current asset management use practices;

- identifying cross-cutting improvements in data management across the contributing public sector organisations;

- identifying and shaping the key factors that will enable a substantial improvement in strategic asset management across a locality, improving outcomes for service users and reducing property costs.

5 *How the public sector should look*

The previous chapter has set out some of the clear benefits to citizens
if we were to adopt Total Place approaches: taxpayer money can
be spent more wisely, services can be improved and quality of life
enhanced. However, these all require government to relate to citizens
in a different way. Below we set out the key imperatives to which any
approach we design must conform.

Tier of government and subsidiarity

Part of the success of the pilots' ability to re-design services and innovate
has been the fact that they have connected so closely with citizen needs and
expectations. It reinforces the fact that effective services should operate as
near to the citizen as possible. For instance, London Councils has shown how
new solutions on offender management, health and employment services
require devolution to local government. In addition, the unit of consideration
in some contexts have been narrowed down to the neighbourhood, street,
family and individual.

However, what is also suggested is that the tier of operations may not
always be the local authority level. Coventry, Solihul and Warwickshire have
requested that they expand their Children's Trust across the sub-region. The
lessons in different service areas are the same from Manchester City Region
and South of Tyne and Wear.

Areas will need to identify an appropriate balance for the delivery of services
at the most appropriate tier. As the Sub-National Review and subsequent
research has shown, guiding parameters should include the nature of provider
markets, travel-to-work and travel-to-learn patterns, the opportunities for
business clustering and patterns of connectivity and whether these dynamics
are core to the nature of the service.[40] Building from the bottom up allows a
citizen focus to take effect at the correct spatial level.

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40 Nick Hope. *Bordering on Prosperity: driving forward sub-regional economic collaboration* (NLGN,
2009).

Shared goals and outcomes

Local partners have previously agreed a shared vision for their area through the development of a Sustainable Community Strategy and agreed a number of shared objectives with central government through Local Area Agreements. Total Place pilots have been given greater discretion in setting out the needs and priorities that are most pressing in their localities. Commitment to this cause through the cultural convergence that has gone on through Total Place represents a lens through which we should look at how unified our vision is across government and between political tiers of government.

Accountability, democracy and leadership

There are two complementary sets of reform in Total Place. The first are principally operational in nature – where approaches are seeking to create more efficient processes (through economies of scale, rationalisation or service re-design). Asset management, commissioning of worklessness services at a more appropriate spatial tier and administering benefits could achieve significant gains through operational improvements.

The second set is much more democratic. Because much of Total Place ultimately is about the allocation of public resource, approaches quickly become political. Pilots have thrown up a whole range of highly political discussions which question the role of the state, and the balance of power and democratic mandates between national and local politicians.

- Debate has been opened up over whether benefit entitlements should be localised or whether national standards are necessary.[41]

- Targeting of resources in schools or in community safety on those who may be likely to offend in the future would throw up extremely controversial issues around the reallocation of resources away from other children, a discussion in which parents, pupils and citizens would rightfully have a say.

- The Coventry, Solihul and Warwickshire pilot has requested that the DCSF entirely releases its education budget which extends to approximately £1.8bn of the £6.2bn public spend in the sub-region.[42]

41 Speech by Philip Hammond to NLGN Annual Conference 26 January 2010.
42 Jim Graham, 'Meet us halfway on children', *LGC*, 4 February 2010.

- South of Tyne and Wear's work on alcohol abuse has demonstrated the importance of the private sector in setting prices.

These challenges put a premium on strong accountable democratic leadership. Likewise, the need to change behaviours to respond to major threats like an ageing population and climate change reinforce the need for coherent and credible leadership.

Finally, many of the projects identified have long life-spans. If it is a question of reducing teenage offending rates through intervention with young children or supporting people into employment, many of the benefits can be realised only in the longer-term. Their positive influence, therefore, may well stretch beyond a normal electoral cycle. This implies that politicians must be included in the strategic visioning of these approaches so that immediate electoral considerations do not become a barrier. It also puts an additional imperative on strong, connected and collaborative democratic leadership at the local level that can determine a vision for the community and progress it.

Pooling of resources

A success factor in all the pilots has been an ability to pool (either theoretically or in practice) all of the public service resources. Connections not only across local partnerships but also with relevant Whitehall departments have allowed these discussions to take place.

Interfacing with the citizen

As has been seen, many pilots have entered into new relationships with citizens, where their journeys through services can be fully understood, and where communities have a role in deciding what direction they take. Many of these new service mechanisms are softer, more supportive, more adaptive and more participatory. Persuading citizens to move away from harmful practices for instance requires a very different skills-set to those developed by our traditional criminal justice system.

The purpose is to unlock innovation by maximising the contribution of partners, providers and communities. We therefore need methods for understanding and responding to citizens' needs and generating and co-producing solutions rather than simply producing answers from a service-related machine.

Summary of Key Imperatives

Tier	Imperative
Tier	• Understanding the correct spatial level of devolution • Should be as close to the citizen as possible • Should incorporate social, economic, communication and environmental dynamics
Goals	• Agreeing on broad shared priorities, goals and outcomes which can be more narrowly defined at the delivery end • Should represent a means to converge national and local priorities and establish political priorities for an area
Accountability, democracy and leadership	• Ensuring appropriate governance, democratic leadership • Providing certainty to citizens that priorities are being met with methods of scrutiny and resolution • Converging the mandates of national and local government • Discretion to act in the interests of the community
Resources	• Bringing all relevant public resources together to respond and ensure that agencies / partnership receive the benefits of intervention • Understanding and marshal resources that sit outside of the public sector
Interfacing with society	• Developing service models that are built around the citizen's needs and capabilities • Need for innovation and appropriate risk-taking

Figure 4 Illustration of where we need to go

Place

Effective tier of operations

Shared priorities, goals and strategy

Accountability and leadership   Resources

Respond and co-produce as one

The question therefore is how we can go about thinking and acting in these ways?

Part III

6 Identifying and analysing the challenges ahead

When the public service thinks and acts as one, the opportunities and benefits for the citizen, for the public purse, for our local communities and for democracy are clear and tangible. The question is: why are we not doing this in any case and what barriers are likely to get in the way?

Overview of barriers and challenges

Our research uncovered a whole range of barriers and challenges that are currently impeding and are set to obstruct in the future our progress to a whole public service approach. Many represent symptoms of engrained conditions within the eco-system of our public service architecture and behaviours. Many barriers are inter-related and complex. Some are more perception than reality.

There was broad agreement from our semi-structured interviews with official and unofficial Total Place pilots that partnership working had developed well in the majority of areas, and that this provided a foundation on which to proceed. Many of the interviewees cited the benefits of taking the time to focus on the development of partnership working, relationships and cultural change within and between organisations.

However, this was coupled with recognition that such approaches could only go so far and that something more was needed. A small minority of both official and unofficial pilots expressed a greater confidence than others in setting out to pursue this journey alone.

Findings from semi-structured interviews

When asked what barriers were confronting them, the most common answers were: organisational culture, performance frameworks, lack of accountability or influence over partners, ring-fenced funding, differing accountability structures across government, funding restrictions, central initiavitis, operational systems, data sharing and information sharing.

In addition, interviewees also voiced concerns over timescales, ability to transform, strategic capability, a sounder evidence base, customer insight and local politics. The findings of the official pilot reports underscore many of these principal barriers with requests from central government for devolution in specific areas, removal of performance targets and greater discretion for local areas.[43]

Interestingly, these correlated closely to the views volunteered by a wider local policy catchment who in the vast majority were not part of the official Total Place programme and who responded to an NLGN survey (see Appendix 6 for results). These related to Whitehall / centralisation / central initiatives; performance frameworks; siloed funding; lack of pooling; local influence over partners; culture; capacity; local leadership; lack of resources; absence of co-terminosity; impact of LAAs and tight timescales. These results should not simply be taken at face value. For instance, it should be noted that respondents were predominantly from performance management and strategy backgrounds and therefore may have been more likely to respond in ways that made sense to their day job. This may in part explain the relative focus on process rather than organisational culture.

However, as will be analysed below, the barriers identified are highly interconnected and deeply entrenched in our ways of working.

Responding as one to the citizen across the 'place'

Isolationism, independence and organisational protectionism

For Total Place approaches to be effective, as one interviewee noted, 'understanding in a PCT has to be the same in a police authority or a youth service.'[44] There was a widespread feeling that loyalties were not necessarily first and foremost to a local area or a shared public service vision but often to organisations. As one Director noted, a common barrier was that people often related to their specific organisation and that 'my organisation gets its identity from having its sign over the door.'[45] Another commented that 'I think we live in parallel universes at times'.[46]

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43 For instance Luton and Central Bedfordshire, *Total Place: Executive Summary* (February 2010), p. 6.
44 Interview.
45 Interview.
46 Research seminar London.

At the heart of this lies the comparative loyalty and commitment of public servants across government to the needs of place or to organisational and professional interpretations of these needs. Enclosed, discrete and identifiable towns and cities offer very different opportunities for creating a focus on local priorities. This dimension of place and identity could be a significant factor in shaping commitment of public servants to shared local goals rather than specific professional alignments or approaches.[47]

Part of the problem is behavioural and part, ultimately sustained by this culture, stems from rules and regulations.[48] Incidents of the latter include different interpretations across the sector of competences, pensions, terms and conditions and limitations on transferability of staff. Sectoral and institutional 'takes' on even such apparently mundane issues as location of work, colleagues and branding can dictate decisions on resource allocation and service integration were also identified as barriers. This 'unhealthy preoccupation with organisations and institutions' and cultural divisions are both intra- and inter-organisational challenges.[49]

Underlying these are more subtle and engrained associations that are deeply embedded. Local government and other parts of the public sector recruit and retain as though each sector is unique.[50] Neither are such loyalties easily dissipated. In an era of reduced resources these delineations are likely to become more rather than less prominent. For instance, the process of service re-design, if it is successful in eliminating duplication or reducing personnel investment in solutions, will almost always result in some element of staff reduction, at the very least reallocation. Yet, as one research participant noted, 'What staff get rationalised and which body gets the savings and where do the cuts fall?'[51]

Professional insulation

Professional cultures have been particularly difficult to erode over the last hundred years. These have bred self-protection, isolation and a fragmented public state. Historical analysis has demonstrated the structural nature of

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47 Chatham House discussion.
48 IDeA, *Shared chief executives and joint management: a model for the future?* (2009), p. 10.
49 Bichard speech at NLGN conference 2010; Research Seminar London.
50 Nigel Keohane, *Leading Lights: recruiting the next generation in local government* (NLGN, 2008)
51 Research seminar London.

professional silos not only in the state but also across wider society. The vertical rivalries created across government and the state more generally between professions competing for resource either from each other or from a wider resource base characterised twentieth century Britain.[52] Transcending these professional rivalries has proved extremely difficult, none more so than in the health services where successive governments have struggled to contain or shift the nature of work for highly skilled public servants.

The state and public servants in health

The GP contract is only the latest in a long series of uncomfortable dealings between government and doctors in which the professionals have managed to retain a strong independence of government policy. Sixty-two years ago, the NHS was established. The intention had been that what was called the '*National* Health Service' should actually be anything but. Aneurin Bevan's initial plan had been to keep hospitals under the control of local government. GPs rebelled, demanding sala-ried positions in a national structure. Not for the last time, they won.[53] Hence, the lack of political accountability within the NHS and PCTs.[54]

But to understand this alignment as simply a manifestation of employee power is to misunderstand the established role that professionals are used to playing and the budgets and services over which they are used to presiding. Many professions look, as one chief executive put it, to protect their own 'fiefdom' of public services. Motivations behind this vary from simple selfish personal protectionism (few want a job that is found no longer necessary) to genuine belief in the specific service that their department provides. As one Director noted, 'professional silos are more embedded than we had thought and the danger [is that] people retreat to their comfort zone … professionals are very good at drawing a line around what they do.'[55] Partly because many professional groups work with vulnerable and high-need

52 Harold Perkin, *The Rise of Professional Society* (London, 1989), pp.9-12

53 Professor Virginia Berridge, 'The NHS: what can we learn from history?' *History and Policy* (July 2008)

54 Professor Jerry White, 'From Herbert Morrison to command and control: the decline of local democracy' *History and Policy*, (2004)

55 Interview.

clients, persuading them of change provides an additional complexity. In one service area it was difficult to work together because the professionals saw it as 'their client group and their process'[56] This is especially problematic because different professions may have apparently legitimate motivations for the different philosophies of public service delivery that they practice. In addition, professional structures, inward-looking recruitment approaches and qualifications insulate them from radical change.[57]

Increased collaboration across sectors can also lead to apprehension about the ability of strategic decision makers to make judgments across areas of professional expertise. One interviewee noted that this was particularly relevant in clinical services, where professionals would be concerned at non-experts making decisions without a professional level of knowledge or experience to make informed choices.

In a situation where citizen-focused services, choice and personalisation, shared priorities and seamless government need to come to the fore, the existence of separately designed professions across government acts as a significant barrier. Many services will require much more highly co-ordinated agency intervention, data sharing and integrated case management. A number of the arms of the state remain almost beyond consideration – what hold would a local authority have over a school's premises in terms of using it after hours, let alone on the school's budget itself? '[The] general thrust of [national government] policy is to devolve to the front line school or foundation hospital', as one director argued, 'and it therefore misses any sense of joining up at the local level. It should be the role of local government to tie these [threads] up around place.'[58]

Academics and practitioners have conceded that the professional structure of local government has been discredited, especially for its retardant effect on innovation.[59] These internal vertical delineations create significant disconnections in local services. In a quasi-Weberian sense these are inter-generational characteristics – they are in-built and self-sustaining patterns

56 Interview.
57 Nigel Keohane, *Leading Lights: recruiting the next generation in local government* (NLGN, 2008) pp. 57-61.
58 Interview.
59 Patrick Dunleavy et al, *Why is it so hard to achieve organisational innovation in government?* (LSE, 2006), p. 13.

of behaviour which mean that incomers into government are incentivised to conform to the established systems of hierarchy to achieve career progression and influence.

Even apparently discrete issues around data sharing represent, in fact, much more complex interactions between working cultures, regulations and the law. There is cause in specific areas to consider revision to the law to allow easier transfer of data, especially related to offender management and worklessness.[60] On the other hand, these can simply be smokescreens. As one interviewee argued, data sharing is 'far less to do with data protection [law] than it is to do with professional preciousness – the feeling that they ought not do something. ... workers will get round [the law] if there is a will to do that and they won't if they don't have the will.'[61] Another commented that, rather than any specific legal restriction, the problem '[is a] child of the vertical siloed view of the way that public services ought to be delivered.' Therefore, 'we have got a lot of data but it is not being used very intelligently ... data sharing stops at the back door'.[62] This has significant implications for the way that data is gathered and utilised and explains why, as one senior civil servant commented, the public sector is 'data rich and information poor'. In its own way, therefore, lack of data sharing is both a symptom of cultural isolation and also in turn a hindrance to the development of evidence that could incentivise new approaches and integrated working.

These interconnections are problematic to unpick. When collaboration occurs, it remains easier to understand the rules and regulations that stand in the way. However, the unwritten rules remain much harder for potential partners to identify – the failures of a number of public-private and public-public relationships being testament to this.[63]

Fragmented local politics: issues of political sovereignty

Political as well as professional disjointedness undermines effective solutions. Following the 2007 Sub-National Review of Economic Development, there have been remarkable achievements by councils across parts of England in

60 *Birmingham Total Place Pilot Final Report* (February 2010)p.23.

61 Interview.

62 Interview.

63 Jonathan Flowers, 'Local Government: Partnership working is all about people', *MJ*.

coming together to collaborate on difficult sub-regional challenges. However, in some areas, issues still stand in the way – political sovereignty and willingness to pool decision- and strategy-making. For instance, both political and professional protectionism has played a significant role in undermining a number of sub-regional partnerships as they seek to move towards more collaborative forms of working and governance.[64] Likewise, back office shared services have been impeded as much by political isolationism and fears over loss of sovereignty as by rational arguments against agglomeration of power.[65] Therefore, issues of control, accountability and sovereignty are not limited to a vertical alignment nor indeed simply between councils and their partners, but also between councils and their neighbouring authorities.[66] For some interviewees in two tier areas, this political complexity was unsurprisingly particularly pertinent. Conversely, Essex County Council had built up a very strong LSP and developed its LAA priorities from the district level upwards.

The balance of power between centre and locality

> *"It is all very well saying that local authorities have to work better with their partners but they are often prevented by actions of central departments."*
> **Sir Michael Bichard at NLGN 2010 Annual Conference**

Any system joining up public services must consider how to agree on priorities and outcomes and converge national and local resources across the place. However, despite continued efforts over the past five years, we still remain far from equilibrium and therefore far from a situation where a whole government approach can come naturally. The House of Commons Select Committee has recently attacked a vertical arrangement in power between the centre and locality.[67] This is just the latest in a long line of accounts that have recognised that the state is centrally driven.[68] This top-down power

64 Nick Hope, *Bordering on Prosperity: Driving forward sub-regional collaboration* (NLGN, 2009); Nigel Keohane, *On the Right Tracks: New models for integrated transport* (NLGN, 2009)

65 Anthony Brand, *The Politics of Shared Services* (NLGN, 2006)

66 CLG, *Research into multi-area agreements - Long-term evaluation of LAAs and LSPs* (2010), pp. 11-12

67 House of Commons Communities and Local Government Select Committee, *The Balance of Power: Central and local Government* (2009)

68 Roger Gough, *With a Little Help From Our Friends: International Lessons for English Local Government* (LGA, 2009)

relationship is characterised in many ways and reflects cultural as well as simply operational or architectural dynamics. In many instances, public sector agencies are incentivised to work within silos through their accountability to, and financial reliance on, individual government departments, with the emphasis on increased collaboration and joint working simply a contradictory pull. Efforts have been made – such as the Central-Local Concordat - to reach more mature agreements on the national-local relationship but they have made only slight inroads.

The dependency and compliance culture

As the quotes below suggest, a major challenge in sustaining a whole public service solution is the engrained culture of dependence.

Views on vertical culture of dependence

'local government has increased in proportion to the amount of work that central government has given it to do.'

'compliance culture which has got good at presenting evidence to regulators'

'risk aversion'

'central government relaxing their grip'

'edicts coming down'

'central government respecting local councils'

'culture of the begging bowl'

'danger that in the face of the financial crisis that we resort to this subservient role.'

'[we are] used to being the recipients of top down direction not used to being a partner where partnership works both ways'.

This dependency culture breeds a risk aversion that is anathema to the innovative solutions that are needed to pursue the new service approaches described earlier. Research has indicated that culturally UK government is

too alert to risk and prone to over-zealous risk-management.[69] The Audit Commission has argued that fear of failure among councils prevents them from innovating and re-designing services.[70] As the box above shows, despite the innovative service design underway currently, concerns were raised that the dependency culture would be sustained either from the top (in terms of how the pilots are taken forward) or from the bottom (in terms of the historic tendency to wait for direction).

At the root of the dependency culture lie a number of fundamentals: first the legal framework of *ultra vires* which stipulates that councils must be permitted by law to act; second much wider dynamics that shape the balance of power, and which impact upon the confidence of local areas to pursue innovative action.

Local Authorities (Goods and Services) Act 1970

Legally, the Local Authorities (Goods and Services) Act 1970 allows local authorities to do business with other public bodies in the interests of their communities. However, many relevant public bodies are not on the list, including central government and health trusts. While a Government Minister can specifically act to designate these as relevant bodies, it involves formal granting of permission and a time delay. This is symptomatic of much devolution around 'earned autonomy' such as in the Sustainable Communities Act where councils submit for approval their schemes to work more effectively across the sector.

The controversy over the High Court's judgement on the London Authorities Mutual Limited case in 2009 underscored the lack of flexibility that local areas have in forming groupings within the public sector to drive efficiencies and service improvement and the limitations of the 'well-being' legislation. Despite specific revision in the case of insurance, a complete answer to this is still to be forthcoming. Methods that allow greater local discretion and flexibility in adopting and coordinating collaborative action, such as the Conservative Party's proposal of a General Power of Competence, should be pursued.

69 Michael Power, *The risk management of everything: rethinking the politics of uncertainty* (Demos, 2004); Will Hutton, 'Government middle-managers 'weak'', *Public Service*, 20 January 2010.
70 Audit Commission, *Seeing the Light* (2008)

However, these legal restrictions are just part of the top-down power dynamic that shapes the behaviour of local authorities, their partners and central government departments.

Vertical accountability: resources

The 'Total Counts' carried out by all the pilots and many other areas have demonstrated why this child-parent relationship has been hard to erode. These financial analyses have laid bare the discrepancy between supposed and actual democratic control (through resources and accountability). As the diagram of one area's total public spend below indicates, the local state has a say on only 30 per cent of the total public expenditure going into an area.[71]

Figure 5 Spending in local area

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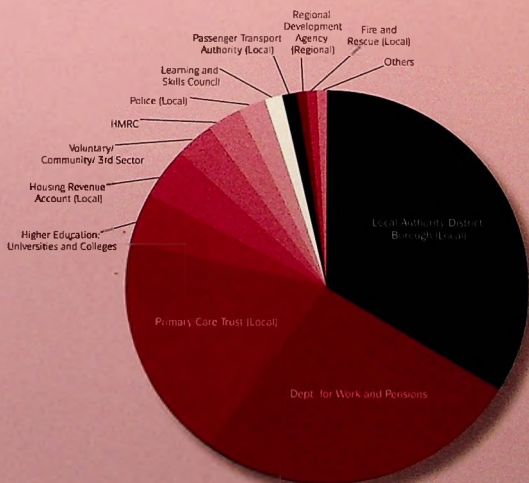
71 This is based on a mean calculation of per centages across seven available total counts in pilot areas.

This level of spend is broadly replicated across the country. Of this thirty per cent, only a part remains within the discretion of local councils themselves (this has been estimated by some as low as 5 per cent of total public resources, but may be nearer 15 or 16 per cent).[72]

As the figure below shows, funds outside of the local council's control see a sliding scale of loss of influence.[73]

Figure 6 Spectrum of local control over total expenditure in an area

LOW						HIGH
Public funds which go directly to customers	Funds passported top down to front line	Funds which are subject to statutory controls	Funds which are shaped by top down financial & performance targets	Funds which are centrally provided but with complete flexibility over how they are spent	Funds under local control	

Resource and responsibility

More broadly, ring-fenced funding, lack of pooled funding and performance targets reflect where resource and responsibility are held in the system.

The top-down dimension of funding and accountability limits the scope and readiness of local departmental agencies to act in the interests of the local place. Examples include drug and alcohol budgets which despit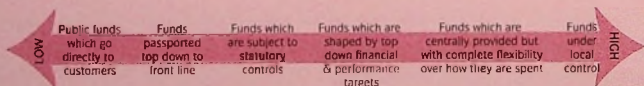e sharing similar catchments are separated; capital project grants distract policy makers away from the most sensible solution. As one chief executive commented, pooling of resources is the 'true test of partnership'. Under this test, partnerships in England have historically failed. Area Based Grant and the level of pooled funding is just a tiny per centage of the overall spend (most recent figures suggest that the former stands at 3 per cent of local authority spend and less than one per cent of total public expenditure in an

72 For instance, it has been claimed that in Lewisham the council has discretion over only 4 per cent of the 20 per cent spend it has in its area. Professor Keith Grint, *Total Place: interim research report: purpose, power, knowledge, time and space* (January 2010). Interim findings have been reporting a similar figure. Michael Burton, 'Council leaders step up call on local spending', *MJ*, 3 November 2009. However, if grant income is used as a proxy for understanding this, then the figure is just over half of local authority spend and approximately 16 per cent of total spend in an area. *Local Authority Revenue Expenditure and Financing England 2009-10 Budget Revised Statistical Release* (22 December 2009). As local government experiences a sliding scale of loss of discretion over budgets it is impossible to be exact.
73 http://www.croydonobservatory.org/docs/898533/TP#268,1,Slide 1

area).[74] And, as one pilot commented, there is rarely a built-in incentive in funding streams to work in partnership at a local level.[75] In fact, at times quite the opposite - joint funding and financial accounting procedures are complex processes.[76] Partnership approaches alone have failed to create answers to systemic disincentives against pooling resource which currently pervades local agencies. For instance, as the Government itself acknowledged, only 3.4 per cent of health and social care funding was formally pooled in 2008.[77] Yet, health and social care are the budgets that are most intertwined and, it should be noted, where personalised services are most advanced and therefore where shared budgeting is most necessary.[78]

This lack of hold over the actions of partners has led to increasing call for greater local accountability over partner agencies.[79] As one councillor put it bluntly – '[currently] the crap coming from the sides is not as bad as the crap coming down from the top'. Many felt that partners still tended to look up rather than across.

Potential impact of recession

Within the current financial context the environment for voluntary sharing of resources is likely to become even more problematic. Opinion was mixed on what if anything would break existing partnership arrangements – some felt that financial constriction would force a fundamental re-think of organisational priorities, whilst others believed that it would make the landscape for pooling budgets even bleaker.

History would suggest that the latter is the case. When financial pressures have been brought to bear on partnerships in the past, organisations have reneged on their commitments to shared goals and retreated to their limited institutional ambitions. For instance, when PCT budgets overspent in 2007 pooled funding commitments were the first part to be clawed back.[80] Why is this? As one Council Director noted, 'once you follow the trail of

74 CLG, *Local Authority Revenue Expenditure and Financing: England 2009-10 Budget (Revised) Statistical Release* (22 December 2009), p.4.

75 Unpublished Pilot Report.

76 Interview.

77 HM Government, *Putting the Frontline First: Smarter Government White Paper* (2009), p.38.

78 IBSEN, *Evaluation of the Individual Budgets Pilot Programme* (2008)

79 See the evidence submitted to the House of Commons Communities and Local Government Select Committee, *The Balance of Power: Central and local Government* (2009)

80 Robert Hill, *The Future Role of Local Strategic Partnerships*, (2007), p.7.

breadcrumbs. Permanent Secretaries are accountable for spend … the way you cascade the cash reinforces siloed culture'. 'No matter where people are', he continued, 'if the structures for accounting reinforce that it is better to work independently than collaboratively then you won't get this [collaborative endeavour]'.[81] In too many instances, departmental delivery agencies remain just that. Resource allocation therefore perpetuates command and control techniques that network governance methods were established to erode.

As ye sow so shall ye reap

There are additional complexities. Under existing financial arrangements pooling is crucial as it offers a way to correlate investment to the financial reward that different organisations will reap from the intervention. Currently, seeds sown in one organisation's garden bear fruit that fall in another organisation's garden. For instance, Birmingham has argued that early intervention for children and families will yield £10 to the city for every £1 the council spends. However, only a quarter of that benefit accrues to the council.[82] When the benefit accrues to a local partner then there is at the least the potential – if they can disentangle themselves from the disincentives set out above – to align or pool spending. With sophisticated cost-benefit evidence, organisations may be able to delineate where the savings begin and end.

However, it is not uncommon for all these options to be removed if the benefits accrue to an organisation that makes direct payments to the individual (such as social benefits). Such arrangements require formal agreements to devolve funding from departmental bodies. Even more complex are benefits that accrue to the Treasury through tax generation as there is no money returning back directly to the area through the specific body. Thus, one interviewee from an unofficial pilot looking at worklessness, noted a major problem with current funding arrangements. 'Most of the savings are to the Exchequer even though the money is coming from us – central government is getting the benefits'.[83]

Therefore, notwithstanding any extent of local partnership working, there

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81 Interview.

82 *Birmingham Total Place Pilot Final Report* (February 2010)p.6.

83 Interview.

remain large parts of the public sector purse that are off-limits for investment in the wider interests of the place.

Undermining local leadership and vision of place

Transcending these cultural and resource disconnections has proved problematic. Developing a shared vision for the place can help to transcend cultural barriers within and between organisations.[84] Areas that possess concentrated democratic leadership such as through a mayoral model may possess an inherent advantage in this regard.[85] Total Place pilots are demonstrating the virtue of cultural collaboration across both the local place and across tiers of government with a clear concept in mind.

A number of leading councils have managed to develop specific tailored models of provision that have brought together partners often in difficult journeys. For instance:

- Kent County Council established the Gateway approach along with its partners in 2003;

- Westminster City Council's Family Recovery Programme pools the priorities, resources and management of a number of leading agencies to work effectively with 50 local families to reverse cycles of deprivation and deliver a seamless service for families with multiple and complex social problems.[86]

However, even in these instances there is a ceiling beyond which local areas struggle to cross. And, it should be noted that some of the most successful councils in the country have been at the vanguard of the movement for additional leverage over public resource and partner bodies.[87]

An increasing emphasis on 'place-shaping' has recognised the council as the

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84 Nigel Keohane, *Leading Lights: recruiting the next generation in local government* (NLGN, 2008), pp. 77-81.

85 This can be seen in the case of Torbay and was mentioned in relation to Lewisham.

86 Westminster City Council, *Mapping the money: Public spending in Westminster* (2010), p.14.

87 Kent County Council, *Bold Steps for Radical Reform* (2010); Colin Barrow, *Local power, better results for people 10 ideas to devolve power and improve local quality of life* (Westminster City Council, 2009); evidence submitted to the House of Commons Communities and Local Government Select Committee, *The Balance of Power: Central and local Government* (2009)

democratic lead in the local area. However, the current top-down central-local relationship has not enhanced a sustainable and comprehensive local leadership of place. A number expressed concern at the current capacity of local leadership.

Breeding on this lack of local discretion, leadership at the local level has not been incentivised to champion their communities.

Performance management

Beneath the reluctance to commit to partnership lies the comparative emphasis on the upwards reporting mechanism to departmental chiefs and performance targets focused on specific outputs or outcomes not necessarily related to agreed local priorities. Vertical accounting systems are now embedded culturally, so that as one participant noted, even when budgets are freed up, 'people still hang on to budgets as if they were ring-fenced'.[88] The problem is therefore so entrenched it has become cultural as well as structural and the same is true of performance management.

Top-down management approaches have traded resource for evidence of performance and effective resource allocation. Targets that bred under the New Public Management approaches and that reached their zenith in the Sir Michael Barber-led public service improvement systems have been heavily criticised by many commentators and practitioners. Academic literature has demonstrated that they are likely to divert managers from focus on citizens' needs. In turn, they undermine and disenfranchise frontline staff by second-guessing their intuitive responses and in so doing suffocate innovation and the ability to use the public purse in the most effective way.[89]

There has been a significant reduction in reporting with the replacement of the Comprehensive Performance Framework with the Comprehensive Area Assessment. Comprehensive Spending Review 2007 promised to slash the number of performance targets that local authorities would have to report on from 1,200 to 198. It also pledged to reduce inspection and drive joined-up assessment and, instead, base assessments more on shared priorities as established through Local Area Agreements. It is highly questionable the

88 Research Seminar London; Interview.
89 G. Bevan & C. Hood, 'What's measured is what matters: targets and gaming in the English public health care system', *Public Administration*, (2006) 84, pp.517–538.

extent to which it has succeeded.[90]

The Total Place pilots are revealing the true extent of the problem:

- Leicestershire and its partners found that 3,000 performance datasets, reports or evaluations are processed and reported on by public bodies in the county each year. This requires 92 full-time staff to fulfil these obligations at an estimated cost of £3.7m.[91]

- Another council estimated that locally over 4,500 officer hours were required to meet the demands of CAA. Between 2009-11, public sector partners in one Borough are scheduled to receive over 50 different inspections by national or regional inspectorates.[92]

- Costs of central oversight of services has been estimated at £650m by the LGA.[93]

- The sheer scale of the regime has tended to favour a parent child relationship between the centre and locality. It was estimated in 2008 that there were 1,500 targets that impacted upon local public service delivery agencies and councils.[94]

As one respondent noted,

'We are trying to work in very new ways and break down barriers between organisations but are trying to do this within the "old rules" -we need more freedom and flexibility in local areas ....'

One cannot ignore the fact that targets are the most obvious manifestation of the cultural and architectural barriers with which local public servants wrestle. The level of attention they receive in the Government's *Smarter Government* report is therefore to be welcomed. However, it is important to note that they are inextricably linked to where resource and control is held, and therefore cannot be addressed in isolation.

Top-down targets frustrate local managers, impede the innovation potential

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90 NLGN forthcoming research *The Future of Assessment*.

91 Deloitte, *Measuring the workload: public sector performance reporting and inspection regimes in Leicestershire* (October 2009).

92 Unpublished Pilot Report.

93 LGA, *Delivering more for less: maximising value in the public sector* (2009), pp.8-9.

94 Tom Gash, *Performance Art: Enabling better management in the public* services (Institute for Government, 2008), p.50

of Total Place solutions and run counter to the agreement of priorities at the place. Different working practise – such as commissioning methods – can be sectoral in nature and bolstered by performance measures that encourage public managers to adopt these processes. For instance, the NHS's 'World Class Commissioning' policy may distract attention from Local Area Agreements and the CAA. Criticisms that came through this research were the 'deeply frustrating' nature of Home Office targets that forced the police to divert attention from priorities established in the CDRP. For instance the police are often required to increase convictions for youth violence whilst the council may be working to prevent young people entering the criminal justice system. [95] This often includes an overemphasis on inputs and outputs that undermine wider commitment to outcome-based priorities.[96] A more outcome focused, agreed and streamlined approach to performance reporting – such as has been heralded in Scotland with a single annual report – should take effect.[97]

Whitehall and politics

In many ways, the resource and responsibility implications set out above ultimately stem from the ministerial connections to departments. As Dick Sorabji has argued, 'Organisations have their own internal dynamics programming them to work in a particular way; even when their leaders do not want them to.'[98]

This reflects a tendency to hoard power (articulated through resource and performance management) at the ministerial level. As one council interviewee noted, it is important to appreciate that all parts of the public sector are ultimately driven politically – and demands from central government may well take precedence over local priorities.[99] This in itself stems not so much from a natural inclination by national politicians to enact their policies but rather from a misconceived understanding of the control they possess and the desire to be seen to be in control. The latter can lead to 'initiavitis' and the proliferation of top-down initiatives that can demonstrate 'action' by

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95 Interview; Confidential Letter.

96 Interview.

97 The Scottish Government, *Concordat between the Scottish Government and local government* (2007).

98 Dick Sorabji, *Changing Whitehall's DNA* (NLGN, 2008), p.4.

99 Interview.

ministers – which themselves harvest performance targets of their own.[100] Added to this, we must also acknowledge the existence of political cycles, which can cast uncertainty over the future of public sector management, particularly at a time when there is an election to be fought.

Recent academic research has demonstrated that central initiatives have too often forced local authorities and their partners to move on to new initiatives, priorities and ways of working before previous approaches have been sufficiently or successfully embedded.[101] As the leading academic Professor Steve Martin noted in his evaluation of local government performance improvement, local authorities 'had often only just got used to one policy when it was replaced by another *bright idea* from central government'.[102]

The wielding of responsibility and resource also leads to a desire to be able to intervene in key service areas beyond the ordinary remit of governing departments. High profile incidents of service failure in sensitive service areas have brought into sharp relief the devolutionary rhetoric of the government and their readiness to step back. In part this simply reflects the fact that the public have different expectations in different service areas and therefore tend to hold different politicians to account. However, interestingly, a number of the civil servants interviewed referred to public acceptability in a way that local public servants did not. Therefore, certain re-allocations of resource and responsibility would be inconceivable given that the Minister would still be held accountable by the public for specific policy outcomes. As one noted, '[there is an] extraordinary willingness to share that risk, but would the public at large find that acceptable?... Who does the public hold accountable and is there clarity of who is accountable for what? ... What is the level of risk that [local] political leaders are ready to take on?'[103] This suggests that a more mature discussion and communication with the public is needed about where power should be held and the implications of devolution. Whilst this is undoubtedly an issue to address, it is by no means simple, and will involve taking the public on the 'devolutionary journey' with central and local government.

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100 Professor Steve Martin, *Meta-evaluation of the Local Government Modernisation Agenda The State of Local Services: Performance Improvement in Local Government* (CLG, 2009).

101 OPM, *Total Place: Lessons Learnt* (2009), p.3.

102 OPM, *Total Place: Lessons Learnt* (2009), p.3.

103 Interview.

Whitehall and Total Place

The Total Place pilots were in part proof of the importance of the central-local dynamic. 'Whitehall is realising that it is in its interests to get involved.'[104] Despite these encouraging words from a senior civil servant, our research uncovered mixed views over the role of Whitehall in taking Total Place reform forward.[105] On the one hand, some areas viewed the initiative as an opportunity to start a proper fresh reappraisal of public services from the perspective of 'place'. For instance, out of eight family members, our focus group in one pilot area saw participants identify Whitehall as the parent because it had overseen the project and contributed beneficially (however it was noted that Whitehall support had not been consistent at all levels). Other interviewees were also positive about their experience of working with Whitehall, with comments such as "there is a feeling that central government is listening", and "(Whitehall) are committed and have made time for Total Place". However conversely, as one Director noted, 'Whitehall – I have not seen a huge amount of evidence that it is up for this. A few exceptions – when the Director General has a local government background – interested in transformation. ... Whitehall's not got very involved.' He contrasted extremely proactive dialogue with specific departments with others that had yielded less. He felt that the feeling from Whitehall was very much '"Look whatever you do don't say something that compromises our policies" – not confronting the solution but defending themselves'.[106]

There was wider appreciation that as one Council Director noted, '[this] appears to be something that compared to all the other [initiatives and freedoms] central government was interested'. But, as the same person noted, Total Place 'is *piloting* central government's willingness to let go' (my italics).[107] From those involved, the proof will be in the pudding and how central government handles the propositions and evidence put forward as well as simply through the phase so far.

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104 Interview.

105 Interestingly, although a Chatham House discussion with chief executives was explicitly led away from the issue of central reform, the first point to be considered was the relationship between centre and local and the hold (financial, targetry and cultural) that Whitehall departments had over local partners as compared to the leverage councils enjoyed.

106 Interview.

107 Interview.

Cultural centralisation

Historic evidence of the interplay of central government, its agencies and local authorities question whether cultural change can be distinguished from governance reform. Previous efforts at devolution though welcome have often become stilted and, despite wider government commitment, have reverted to type.

Broken promises

The story of devolution indicates that even when technical systems are amended, embedded cultures can replicate traditional practices in line with cultures and / or underlying balance of power. A number of specific examples include:

- The organic inflation of targets from their base line of 198 as additional pieces of information were required. Responses to the new CAA also suggest that the commitment to fully joined-up and outcome focused services has hardly materialised.[108]

- The inclination (natural in terms of inherited cultural practices) of departmental heads to insist on the inclusion of certain priorities within the LAAs despite the obvious fact that this undermined a key principle of the whole concept.

- Whilst CSR 2007 sought to reduce specific grants, there have been instances where new ring-fenced budgets have been introduced subsequently.[109]

Siloed, introspective and disconnected strategy

Accountability structures are symptomatic of a system of Whitehall government that is principally focused on specific departmental objectives rather than either PSAs or LAA outcomes. One Head of Policy identified the problem as being 'that you have got a centralised government that isn't joined up.'[110] Another noted that 'Whitehall can't join up at the centre'. Whitehall telling local partners to work together, a health executive concluded, had the feeling of 'do as I say not as I do.'[111]

108 LGA, *LGA response on National Indicator Set* (2007); LGA, *CAA: How is it measuring up?* (2009).
109 NLGN, *Making Place-shaping a reality* (2008), p.14.
110 Research seminar London.
111 Interview.

As noted in Chapter 4, Total Place pilots are throwing up significant examples of duplication and activities that run in parallel and often tread on each other's toes. These are symptoms of a number of failings across government: a tendency to factory produce solutions and categorise citizens into specific batches according to certain predetermined characteristics that they possess, such as in worklessness programmes; lack of coordination and strategic focus across Whitehall. Even in a pilot area where the role of Whitehall was appreciated, other parts of Whitehall and less senior staff were compared to a stroppy teenager because of their lack of flexibility in supporting the approach.

One illustration of this is the number of capital grants that come down from the centre. In regeneration and capital investment, Durham and CLG have calculated that there are upwards of 47 different capital funding streams across Whitehall to which local areas have to appeal.[112] However, previous research has indicated that the presence of different funding streams can sometimes divert local policy-makers from the most appropriate solution.[113] In its *Smarter Government White Paper*, the Government has pledged to consider seriously the issue of single area-based capital grant. This idea should be pursued and **a single capital pot with greater longer term certainty should be given to local areas to encourage them to think innovatively about how the regeneration and infrastructure priorities of an area can be met.**

Criticism of Whitehall departmental approaches has come in recent years from a wide range of quarters including the Public Administration Select Committee (PASC), the Institute for Government, previous NLGN research and the National Audit Office. PASC spoke of 'a crucial lack of connection between the capability reviews and measures of actual performance, such as PSA targets.'[114] Even alignment of budgets between departments towards joint PSAs has been 'limited'.[115] As the Government's own evaluation of Local Area Agreements concluded, the LAA process had demonstrated just how far government struggles to join up.[116] Research has suggested that there is

112 Jim Dunton, 'Total Place case study: Durham', *LGC*, 12 November 2009.

113 Centre for Cities, *City Links: Integration and Isolation* (2008), pp.11-17.

114 House of Commons Public Administration Select Committee, *Good Government* (2009), para 90. See also Nick Hope, *Challenging Perspectives: Whitehall's Spatial Awareness* (2009).

115 Simon Parker et al, *Shaping Up: Whitehall for the Future* (Institute for Government, 2010), p. 91.

116 CLG, *National Evaluation of Local Public Service Agreements* (2008), p. 19.

recognition among civil servants of how far Whitehall still has to go.[117] The Institute of Government has claimed that a compartmentalised strategic centre at Whitehall is ill-equipped to articulate, commission or deliver broad-based outcome priorities or solutions. Our interviews indicated that civil servants recognised the journey that Whitehall departments had to take on public services. But, as one civil servant noted, 'as long as there are clearly delineated government departments, the culture will be hard to shift'[118] This journey was not necessarily going to be a quick one because 'culture moves slower than legislation'. However, as one council interviewee noted, Total Place will not work unless there is significant change within Whitehall leading to more joined-up targets. As one interviewee from a pilot commented, 'you need Total Whitehall that joins them all together.'[119]

Recent lessons from MAA negotiations

In a telling and concerning account of the first tranche of MAAs, a Government evaluation admitted that 'a lot of the negotiation seemed to be the sum of a set of bi-lateral talks rather than there being a joined up approach from Whitehall.' Departmental officials often failed to connect with the challenges facing a local area and representatives were not necessarily senior enough to speak confidently for their department.[121] All these cast doubt on the ability of Whitehall as it currently stands to engage proactively and constructively in deal making processes – it questions their capacity and their interconnectedness.

Therefore, a number of principal challenges face Whitehall in the years to come – an ability to assume non-departmental positions on policy areas that in many cases will have previously fallen within the remit of specific permanent secretaries and professions.

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117 Simon Parker et al, *Shaping Up: Whitehall for the Future* (Institute for Government, 2010), p. 91.p.79.
118 Interview.
119 Interview.

Conclusions

It is clear that the barriers identified reflect vertical silos stretching from the top of government right down to the end of the delivery chain in local councils and their partners. These cut right through a whole public service mentality and responsiveness to the whole citizen. It is indicative of a public service environment within which individual professions, departments and agencies have taken their own specific approaches. This compartmentalisation has been compounded by the fractured nature of public service delivery. It follows that either the state does not understand what citizens want or other issues take precedence over providing it.

Figure 7 Illustration of existing cultures and architecture

Departmental performance frameworks

National-local relationship

Whitehall strategy development

Departmental funding approaches

Bureaucratic cultures, rules and regulations

Local political isolation

professional cultures and rules

PLACE

The vertical alignment of services relates not only to cultural disconnections and professions nor simply to performance management targets, ring-fenced budgets and departmental budgeting. In fact they represent a more systemic failure to allocate resource and responsibility at the 'place'.

These dynamics have made it intolerably difficult to establish the effective tier of operations, impossible to develop shared objectives, and left the public sector unable to assemble democratic accountability at the place, unwilling to supply the resources to make things happen and too disconnected to

provide a seamless service to the citizen. And here in lies a key failing of public service reform in the past decade. New Public Management reinforced these command and control and vertical lines of responsibility, resource and activity. Network Governance has never stood a chance amidst these accumulated cultural, systems and architectural barriers which impede effective citizen-responsiveness by the whole state. They indicate that a new set of pulls must be established to converge shared priorities, resources and democratic which free up and incentivise local leaders and partners to work in the interests of their citizens.

The analysis above also demonstrates that overcoming these barriers is no easy task. Many are self-replicating: sectoral protectionism and specific processes; centralism and a local dependency culture; self-sustaining patterns of behaviour among professionals and other public servants; departmental and organisational insularity. What is more, almost all are in some way interconnected, feeding off and spawning each other. Just two of these vicious circles that characterise our public services are set out below.

Figure 8 Vicious cycle of behaviour and governance
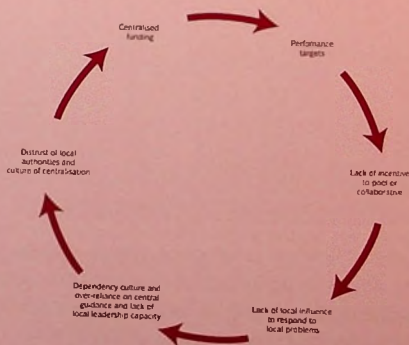
Figure 9 Vicious cycle of professional and organisational insularity

- Over emphasis on professional roles itself reinforced by career paths
- Over precious data handling policies
- Fragmentation between organisations and district
- Lack of intelligent data that would facilitate shared working
- Retreat to the 'known'
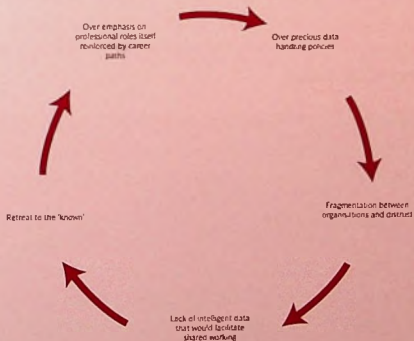
Part IV

7 *Designing a sustainable solution*

Breaking the vertical silos

These predominantly vertical barriers are major impediments to embedding reform. The question is how we should go about dismantling or reforming them. What is the sustainable method to get us there?

Behaviour and architecture

As argued in the previous chapter, culture and architecture interplay in self-reinforcing circles unless concerted efforts are made to adjust them. Sociologists have argued for decades over whether behaviour creates architecture or vice versa. There is increasing evidence that there is no single simple interplay.[120] Currently, we are caught in a vicious circle where we are circling the purpose after which we are seeking. Ultimately we have three options – to break the circle through behaviour and cultural change, to break the circle through architectural change, or to break it at both points.

We argue here that to counteract the systemic barriers, multiple forces need to be brought to bear to break our vertical mindsets and institute a more whole-citizen-focused and democratic dimension.

The financial situation is grave – without a clear framework for moving forward, the agenda will be additionally vulnerable to passing cuts and fads. While on the one hand we need at the local level organic growth of leadership capability, cultural inter-working and sustained thought change, we also require radical and immediate exposition of central Government's readiness to reform its own practices and behaviour and the perverse architectures that reflect and sustain them.

Traditional partnership mechanisms alone cannot get us there within the current environment; neither can we simply democratise all public services

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120 Professor Keith Grint, *Total Place: interim research report: purpose, power, knowledge, time and space* (January 2010)

at the local level – the national government has a mandate to lead policy direction. We must therefore develop a practical framework that allows the interplay of these different dynamics.

We need reforms that encourage collaboration in the interests of local communities and citizens' needs, which increase and converge resources, democratic connection and leadership.

Figure 10 Creating a virtuous circle
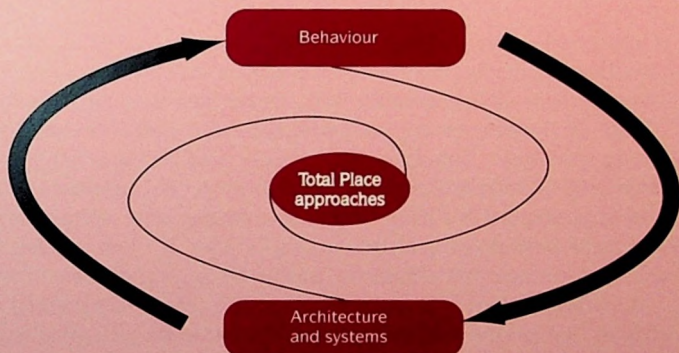
Below we set out complementary reforms that would incentivise and encourage organisations to think in the interests of the citizen. These are made up of the following:

- Extending local democratic influence and decision-making.

- Methods and incentives to initiate a new relationship between the centre and locality to converge resources and responsibility at the correct spatial tier.

- Developing systems and cultural developments that promote joint working, cultural synergy and a focus on the whole citizen.

To do this we must respect the journeys that have been undertaken already and the different contexts of local areas. For this reason, we need both

symmetric as well as asymmetric solutions that can allow those with the will and the capacity at the local level to take on greater responsibility on behalf of their communities.

8 *Architectural reform: Symmetric freedoms and controls*

Extending local accountability and resource

Performance management, targets, pooling of resource and discretion to act in the interests of the citizen are all inter-dependent. It therefore does not make sense simply to abolish targets, devolve funding or reform accountability unless these changes are linked together.

At the same time, the principal of 'New Localism' recognises that local democracy operates within a national framework of minimum standards established by national government. Both national and local government have political mandates. As the generally devolutionary report by the House of Commons CLG Select Committee concluded, 'Abolishing minimum standards would be unacceptable to both the general public— who want reassurance about local government performance and the standards of service delivery they can expect—and to central government—which requires a means of measuring progress against its national strategic goals. In order to gain and maintain public and government support for local variation, individual authorities must be able to show that they are not falling below a minimum acceptable standard.'[121]

All major national political parties are committed to such a model. As Philip Hammond has commented, there may be merit in devolving operational aspects of worklessness and benefits administration but central government also needs to ensure equity.[122] The Total Place agenda opens up new questions on this topic -- what happens when a specific entitlement goes against what local communities feel would be the best use of their taxpayer resources?[123]

Within this context, significant devolution and extension of discretion is necessary to allow the public sector to respond best to the needs of its

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121 House of Commons Communities and Local Government Select Committee, *The Balance of Power: Central and local Government* (2009), p.40.

122 Philip Hammond speech at NLGN Annual Conference, January 2010.

123 See forthcoming research from NLGN *Duties and Entitlements* (2010).

communities. It is also needed to inspire new generations of local politicians to take part. Local councils on their part should be ready to adopt more streamlined governance mechanisms to exercise effective judgement over larger pools of resource and greater responsibility.

But, first must come a recognition that the national and local democracy must establish the shared outcomes and vision after which they aspire and are ready to dedicate their resources. There should be *a commitment from central government to channelling its priority outcomes through established procedures such as the LAA. This should form the basis of assessment for all parts of government. In addition, government should ensure that where there is duplication of reporting that common reporting mechanisms are established (for instance the NHS's Vital Signs framework correlates to the National Indicator set but are currently reported separately).*[124]

Extending democratic accountability

As has been seen earlier, often investment from one partner may fall to another partner and frequently in a different year. This means that what at a distance appears simple correlation and alignment of funding requires greater pooling and stronger centripetal forces. Under the current systems, discretion and influence over partner bodies is enforced through a 'Duty to Cooperate'. This currently includes major public sector partners such as health, police and Jobcentre Plus. Under proposed legislation schools would also fall under this duty.[125] It is questionable whether this is sufficiently forceful to drive change.[126]

Both the Conservative Opposition and the Labour Government are seeking to build up methods for citizen accountability of services through a much greater level of transparency in both service outcomes and investment from public agencies.[127] These are positive reforms that should be built on.

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124 Interview; Unpublished Pilot Report.
125 DCSF, *Statutory guidance on co-operation arrangements, including the Children's Trust Board and the Children and Young People's Plan* (2009)
126 Anthony Brand, *Deal or no deal: delivering LAA success* (NLGN, 2008). It is also interesting to see the mixed views in our snapshot survey (see Appendix x).
127 HM Government, *Putting the Frontline First: Smarter Government White Paper* (2009). Conservative Party, *In Control* (2009).

The Government has also recently proposed an extension to local authority scrutiny functions as a method to resolve the accountability dilemma.[128] A Private Members' Bill has recently been put forward to extend local authority scrutiny to a wider range of partners at the local level. This Bill also allows for Executive Members of a council to sit on the Scrutiny Committee when it is considering the actions of external public bodies. However, it remains unclear as yet how far this would extend. In the context of Total Place, it is crucial that *all* public bodies that have an input into public services should be held to account. Therefore, *the Government should pursue the Local Government (Overview and Scrutiny) Bill and ensure that council leaders can sit on Local Public Service Scrutiny Committees and can hold the full array of local partners to account including all NDPBs that deliver services in their area and other parts of the state that have greater professional independence such as head teachers, GPs and dentists. These should be bolstered with appropriate sanctions.*

Beyond this, question marks have to be raised over the extent to which scrutiny and transparency alone can herald a new era of local public accountability. Too often scrutiny is a problem to be managed by ruling administrations. Second, scrutiny functions analyse the problem after the event and, therefore, give no direct influence over commissioning strategies or investment plans.

For good reason, arguments to extend local democratic accountability over specific service areas have been gaining traction in recent years. Any reform should contribute to the principle that encourages the public sector to converge its goals, priorities, resource and decision-making capacity. In some cases, such as the Conservative proposal to introduce elected police sheriffs, although they have been in harmony with broad definitions of localism, they may run counter to wider notions of a whole public service. Such reforms threaten to lead to the dissemblance of influence among many equals rather than aggregation of influence and control to the local authority as the locally elected democracy and natural leader and source of connectivity. However, the principle of devolution of local policing makes sense due to the over-lap between community policing and the role that local authorities have in anti-social behaviour and community safety.

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128 CLG, *Strengthening local democracy* (July 2009); House of Commons Library, *Local Authorities (Overview and Scrutiny) Bill [Bill 16 of 2009-10] Research Paper 10/09 2* (February 2010).

More positively, the Conservative Party has also suggested that councils would possess greater control over PCT spending through the establishment of a Local Director of Public Health appointed jointly by the PCT and the council.[129] The Liberal Democrat Party too has proposed 'Local Parliaments' with whom much greater autonomy and influence would reside.[130] This might include, some have suggested, discretion over commissioning and management exercised through Strategic Health Authorities and PCTs currently.

Extending the core of local democracy

The increasing interconnectedness of policy focus and activity in specific service areas such as local policing and public health have driven increasing demands for these service areas to be devolved to the local level. Through a 'Total Place' lens such a solution is common sense.

Delegating these responsibilities would give confidence to the citizen that their taxpayer-funded services were being held accountable and leave no excuse for central government not to abolish specific targets related to local policing and health. In such a scenario, councils would become strategic commissioning bodies that set commissioning strategies within these organisations or, where appropriate (such as dementia services), undertook them themselves. This report recommends that *accountability over public health budgets and local policing should be devolved immediately to all local areas.*

Public Service Boards

In order to manage additional responsibilities, councils should strengthen their decision-making processes. Whilst our research uncovered differences of opinion over the need and wisdom of extending full democratic control, there was a common recognition that stronger methods had to be adopted to bring together and allocate major public resources. This reinforces arguments from the Audit Commission that partnerships have to be built not only on soft relationships but also on robust governance and accountability

129 Conservative Party, *A healthier nation* (2010).
130 LGA Liberal Democrats, *The Local Parliament: a Liberal Democrat approach to devolution* (LGLG, 2009)

frameworks.[131] Many of the Total Place pilots along with a number of other leading localities have concluded that current arrangements through the LSP are not sufficiently robust to take decisions on major spend. Local Strategic Partnerships as currently constituted do not control local public service resources, they have to influence them.[132] Councils should move to adopt more focused Public Service Boards to bring together, align, pool and prioritise major public spend and decision-making. Where councils adopt these approaches, these should have statutory powers so that additional responsibility and resource can be devolved with confidence. These should have clear input from, and accountability to, democratically elected council leaders.

The journey of LSPs from informal networking vehicles towards more strategic leadership and decision-making bodies should be continued.

Figure 11   Diagram of cooperation and governance

Informal networking → Collaboration → LSPs → PSBs → Democratisation

Where we are   Where we
                                need to get to

In light of the additional responsibilities and resources converging at the local level, *councils should strengthen existing Local Strategic Partnership arrangements and move towards more focused Public Service Boards which should be invested with statutory powers to allow them to assume greater responsibility over additional services. These should have strong democratic input and oversight. Areas should also consider seriously the benefits of strategic commissioning approaches to maximise larger pools of resource and achieve economies of scope and scale.*

131 Audit Commission, *Governing Partnerships: Bridging the Accountability Gap* (2005)
132 Audit Commission, *Working better together? Managing local strategic partnerships* (2009)

Feeding in wider private and third sector contributions

Many public services are no longer delivered by public bodies, with the private and third sector now providing a whole range of services. For instance, the Durham Total Place pilot demonstrates just how important private sector contributions are to regeneration. Of the £726m worth of public and private investment in the area in 2007-08, approximately £58m of the total is public capital spend, while £127m is public revenue spend, with £311m spent by private developers and £230m spent by home owners.[133] Meanwhile, when intelligence and empathy with the citizen is fundamental to designing and implementing effective solutions, the contributions of the Third Sector and the added public value that it can generate should also be recognised.[134]

Below this Public Service Board should sit a more traditional consultative and strategic visioning body able to incorporate into the centre the opportunities and contributions of a wider group of stakeholders who come together voluntarily through a recognition of the mutual benefits that this can bring. Such a group should ideally comprise the public sector, the voluntary sector and the private sector.

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[133] George Garlick presentation at NLGN Conference 2010; Jim Dunton, 'Total Place case study: Durham', *LGC*, 12 November 2009.

[134] Charity and Third Sector Finance Unit and Michael Contaldo, *Building the evidence base: third sector values in the delivery of public services* (HMT, 2007)

9 *Architectural reform: Framework for dialogue and deal-making*

The concept of Total Place cannot be limited to these specific extensions of control. The pilots have shown that we must think in a much wider sense of how we can converge resource and decision-making at the correct tier of government and bolster local ambition and leadership.

Place Proposition Agreements: A framework for converging responsibility and resources: Central-local dialogue and dealing

Local Area Agreements have provided a useful conceptual tool and if effectively handled offer a continued means by which to establish shared priority outcomes across the local and national state. However, current methods to merge the democratic mandate of central and local government have ignored not only the cultural barriers within our organisations but also vertical lines that cut through established priorities. *NLGN recommends that the Government adopt a model of Place Proposition Agreements*. Learning from Multi-Area Agreements and Local Area Agreements these would develop a shared and agreed set of outcomes to be delivered and then seek to devolve resource and responsibility to this tier. These would be agreements between councils or sub-regional partnerships and the Government on:

- The most effective place (or tier) of delivery: regional, sub-regional or local.

- Shared or mutual priorities and outcomes to be achieved.

- The responsibility, risk and reward that would converge at this tier of government.

NLGN propose that the following should be up for discussion and deal-making through this medium:

- Specific outcomes in policy areas such as (not exclusively), worklessness and skills, acute care, regeneration, transport, offender management and probation service spend, drug and alcohol abuse.

- All Non-Departmental Public Bodies spend and revenue budgets and over domestic public service spend such as social benefits.

- Removal of additional specified performance targets.

- Length of budgetary cycles.

- Freedoms across space and geography for allocation of resource.

- Payment by results approaches whereby sliding scales are introduced to incentivise the achievement of stretch targets as is happening increasingly in services commissioned out to the private sector.

- Propositions from national government for local government on bringing together appropriate services within collaborations or across the country (for instance, benefits administration, council tax collection, Human Resources functions) and a sharing of the financial benefits.

These requests should be abide by the assumptions that:

- These issues are spatially contained and would not have significant displacement effects.[135]

- The propositions do not run counter to an established Public Service Agreement or national manifesto commitment.

- The proposal does not require specific legislative change.

Making the framework operate effectively

History suggests that a number of key obstacles could undermine this approach:

- A reticence of local councils to aspire and collaborate towards greater responsibility and resource based on a lack of ambition and clarity of the benefits.

- An unwillingness from central government to loosen the grip on responsibility and resource.

[135] For instance, one criticism of the proposal to allow the varying of benefits payments in a locality is that it would likely lead to displacement of some of these problems on surrounding areas. Chris Leslie, 'There is scope for localism in the welfare state', *LGC*, 4 February 2010.

- an inability of Whitehall to think as one and converge its priorities and resources.

Local collaboration

As has been noted earlier, many of the challenges that society faces require a sophisticated multi-tiered spatial approach. In the past, the principal obstacle to local areas coming together to aggregate their priorities and resources at a sub-regional level has been the lack of an incentive – the 'offer' has been too minimal to encourage areas to overcome issues of political and managerial sovereignty.[136] When employed, incentives (additional reward) have been significant drivers for joined-up local working.[137] Many – though by no means all – dialogues across the democratic divide could be beneficially funnelled through sub-regional partnerships. Any system therefore should provide sufficient incentive and or reward for difficult political and geographic differences to be overcome.

The basis should be an agreement on risk and reward – achieving the outcomes of both democratic tiers for less money. It could also be used to deliver the same outcomes for less money or improved outcomes for the same money.

As Chapter 10 sets out, new models of local leadership of place are needed that borrow from the best currently in the country and build on their approaches. Local leadership will be required both to demonstrate the ambition to take central government up on the offer and also to manage the new scope and scale of opportunities and challenges.

The need for a single conversation

It would be impractical to suggest that each local place instigate a dialogue with each individual department – this would result in over 1,000 separate conversations. Neither would such approaches incentivise local areas to collaborate nor Whitehall to come together. What is needed therefore is to have a single conversation between the resource and control at the top and the resource and control at the bottom.

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136 Nick Hope, *Bordering on Prosperity: Driving forward sub-regional collaboration* (NLGN, 2009).
137 CLG, *National Evaluation of Local Public Service Agreements* (2008), p.14, 17-18.

'Total Capital' and the HCA's Single Conversation

Lessons should be learnt from the laudable aims of the Homes and Communities Agency which is seeking to stimulate Single Conversations on capital funding between the centre and the locality. Discussions are underway to bring spend from major programmes that have traditionally been led departmentally such as through CLG, Partnerships for Schools and Community Health Partnerships. It has developed a Programme Investment Guide to provide reassurance to departments that money is fulfilling its objectives. In Durham the increased certainty over public funding and scheme approval is providing greater certainty for the private sector who will be able to invest more confidently and build to a higher specification.

Figure 12 Proposed governance model in Durham
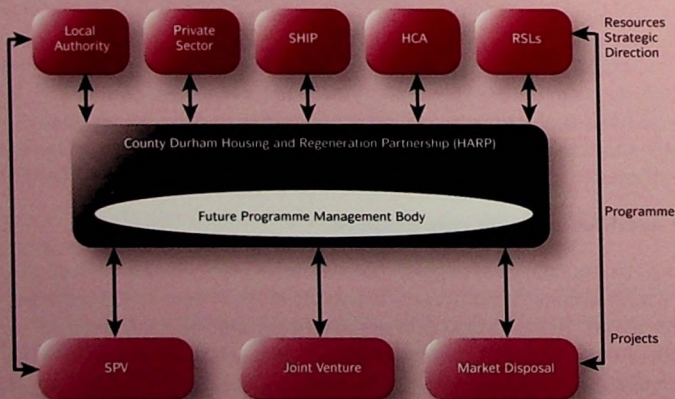
Many of the opportunities on offer across health, employment and skills, transport and regeneration, only manifest themselves if cross-cutting priorities and resources are established. However, the current barriers set out in Part III suggest that there are significant cultural and architectural obstacles to generating strategic thinking within Whitehall.

Underpinning this conversation should be a much fuller appreciation of the outcomes that need to be achieved. For instance, if responding to the whole customer, then the full value of public services becomes increasingly difficult to gauge. On the other hand, if outcomes are to be as broad as 'well-being', and 'feeling safe', then these require broader non-specific articulation of goals that can then be refined into more specific outcomes in delivering these ambitions.

Whitehall thinking as one

We have noted above the fractured departmental approach within Whitehall. Centripetal forces need to be applied to bring strategy together. Recent methods for seeking to align and ensure departmental collaboration have included cross cutting units to oversee strategy, independent units and cross-departmental units. Embedding value-adding connections between departments is easier said than done. The Institute of Government's research has identified that methods to try and build greater cross-cutting strategic capacity and approaches have with few exceptions failed to achieve on their ambitions.[139] They come up against a number of inherent barriers – these bodies often lack the identity or clout to overcome departmental cultures and political alignments. Cross-cutting ministers have been trialled here and abroad with mixed success.[140]

Whitehall-led joining up faces major complexities which match if not exceed those at the local level. Various options for merging budgets and aligning priorities to counteract the implicit departmental loyalty and rivalries – whether they be setting up specific bodies, ring-fencing funds or having cross-departmental committees – remain vulnerable to loyalties of agencies at the local level to individual departments and the simple fact that the majority of

139 Tom Gash, *Performance Art* (Institute for Government, 2009).
140 Simon Parker et al, *Shaping Up: Whitehall for the Future* (Institute for Government, 2010), pp. 85-98.

business is done through a departmental system.[141] The danger of internal Whitehall reform is that, often through the very best of intentions, it brings or shifts the emphasis of policy but in so doing simply shifts the departmental boundaries. The Labour Government's proposed Every Child Matters policy which spawned DCSF and the Conservative Party's proposed pooling of budgets both are more sensible methods of top-down vertical government. They remain however just that.

NLGN has previously recommended a number of reforms to the structure of Whitehall including making Ministers responsible for PSAs rather than departments; reforming the Capability Review System to ensure a greater consideration of achievement on outcomes; and incentivising senior civil servants to collaborate and deliver on agreed outcomes.[142] We must, therefore, consider a wider suite of tools to incentivise collaboration in the interests of shared priorities and outcomes. To drive commitment in the early years of this reform, and to incentivise Whitehall departments to participate in greater collaboration, *we propose that for the first three years of the Place Proposition Agreement process there should be a minimum mandated five per cent of total revenue expenditure dedicated year on year through these channels. There would be no upper limit.*

Performance Related Pay (PRP) is currently being extended in local authorities – this will create a more equitable system where excellence is rewarded.[143] *All PRP within all local public agencies should be linked to outcomes as agreed in LAAs and Place Proposition Agreements.* Such an incentive should also apply within the centre with *the principal PRP for Whitehall civil servants being evaluated on the basis of two criteria: improved outcomes in their designated policy area and their commitment to collaborative working across Whitehall and across tiers.*

With the exception of Public Administration Select Committee, Regional Committees and the CLG Select Committee, existing parliamentary scrutiny is departmental in nature. To promote effective inter-departmental collaboration and devolutionary purpose, stronger scrutiny mechanisms are

141 Simon Parker et al, *Shaping Up: Whitehall for the Future* (Institute for Government, 2010), p. 91.p.91.

142 Dick Sorabji, *Changing Whitehall's DNA* (NLGN, 2008); Nick Hope, *Challenging Perspectives* (NLGN, 2009)

143 'Performance pay to be extended', *LGC*, 11 February 2010.

required. NLGN argues that *the new Total Place Progress Joint Committee overseen by the chairs of the CLG Select Committee, Treasury, PASC and representatives from council Regional Leaders Boards, should scrutinise negotiations between Whitehall departments and local areas and hold departments and Ministers to account on cross-departmental strategy setting and their interaction with localities.*

Whitehall interfacing with localities

As noted earlier, the role of the Treasury has been heralded as one of the success factors in giving momentum and credibility to Total Place. It has also been fundamental in offering a pan-Whitehall interaction with localities. Our research indicated the critical role of the Treasury in Total Place so far. There was significant appreciation of the key role of the Treasury in leading Whitehall into the dialogue and the level of engagement. This is in part because it holds the purse strings and therefore in itself is a signal of a readiness within Whitehall to take the concept seriously. Lack of commitment from the Treasury has hampered previous central-local dialogues and deals.[144] As one local director noted, 'Treasury is always the best stick'.[145] Another noted that CLG 'don't quite have the status in Whitehall to have the discussions they need to have.'[146] The crucial role that the Treasury plays in distributing resource and most especially in a recession means that any complex financial or inter-departmental deliberation will require *a priori* Treasury approval. In the short-term, therefore, *Total Place should remain a Treasury-led programme with CLG support.*

Beneath this is a wider point. Implicitly it suggests that CLG does not have the sufficient clout or pan-Whitehall scope to lead the programme alone. Central government's departmental design does not allow a joined-up interface with other tiers of government. It is questionable whether CLG possesses the necessary influence in its current position as a typical arm of government.

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144 Lack of early Treasury involvement was characterised as a failing of the MAA negotiation processes. CLG, *Research into multi-area agreements - Long-term evaluation of LAAs and LSPs* (2010), p.12.
145 Interview.
146 Interview.

Reform of the whole departmental approach would be expensive, time-consuming and distracting. Under our proposals, the role of CLG should fast be moving towards an enabling role where it can interpret messages from the locality and from departments and promote devolution. This crucial role suggests that it should be strengthened and established as the nucleus of central government within the Cabinet Office where it can bring policy-making together across Whitehall. In order to achieve this coherence of vision and devolutionary impetus, *CLG should be merged with the other territorial departments of the UK (Scotland Office and Wales Office), incorporating the Cabinet Office and constitutional elements of the Ministry of Justice, to create a new and leaner Department for Devolved Government*.

Deal making as well as deal brokering will be required. Current structures are insufficient. The role of Government Offices has seen some improvement in recent years. Creating such an interface will be a crucial determining factor in the success of a whole public service approach. Cross-government discussions have traditionally been funnelled through Government Offices. However, Government Offices would not be in a position to make a commitment on behalf of either central or local government to reallocation of resource and responsibility. What is required here is a harder edged deal making mechanism rather than simply a deal brokering offer.

Building on the work and involvement of the Total Place High-level group of Director Generals and Permanent Secretaries and the Ministerial Group, it would be advisable that, in the immediate short term, *the current High Level Civil Service Group, Ministerial Group and support from Leadership Centre for Local Government be retained* to consider and approve deals with localities. In the longer term *a Treasury-led Cabinet Sub-Committee be responsible for executing the negotiations on behalf of Whitehall and making the deal. Greater negotiating authority and capacity should be given to the civil service contact points for these agreements, whether within the Department for Devolved Government, CLG, Treasury, Cabinet Office or Multi-Area Agreement teams.*

Risk and reassurance

Not only should we consider how to incentivise central government to participate but also how to provide reassurance with the additional risk that

is devolved down. Some areas will exceed the performance of others. It is worth therefore exploring potential options for how this could manifest itself. Particularly, but not only, in sensitive service areas, national politicians often struggle to refrain from intervening when things go wrong locally. If reforms are to be effective, we need to move to a situation where national politicians feel comfortable not mediating. New definitions and understandings of the role of government need to be implanted among national politicians, Whitehall, local public services and the population themselves. As the LGA has admitted, changing public perceptions will take time, but the evidence from devolved government in London, Scotland and Wales suggests that a new relationship can be established.[147]

To support this move, greater transparency of accountability will undoubtedly help. But alternative redress and resolution mechanisms should put the onus on a local response to local problems. There are increasing moves for the LGA to act on behalf of the local government family in ensuring service improvement through a re-modelled assessment framework. This would see local authorities themselves both individually and collectively provide self evaluation and peer challenge through 'Sector-led support as an alternative to intervention'. In line with the LGA's proposal that 'Local government should be given the first shot at sorting out its own problems before governmental/ regulatory intervention',[148] one method would be to establish a robust 'Fire-fighting' arm within the LGA to support and resolve problems at the local level. This would need to possess the capacity and legitimacy to intervene where things go wrong in specific local areas. This report proposes that *the local government family should take responsibility for resolving any problems that arise when resources and responsibility are devolved. A Rapid Response Team function should sit within the LGA and be able to be triggered by the LGA Executive or the Minister where failure is apparent. This should be funded by top-slicing Revenue Support Grant.*

Finally, wider democratic buy-in is needed to underpin any wider reallocation of responsibility and resource. Ultimately, devolution represents a handing down of power to local democracy and therefore also to local populations. Conversely, once agreements are in place they should be constituted so as to

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147 LGA, *Freedom to lead, trust to deliver* (2010).
148 LGA, *Freedom to lead, trust to deliver* (2010).

allow local people to hold their councils to account for their delivery of these agreements. Ultimately, an area that failed would have to bear the financial costs of failure.

Figure 13 Diagram of interaction between centre and locality
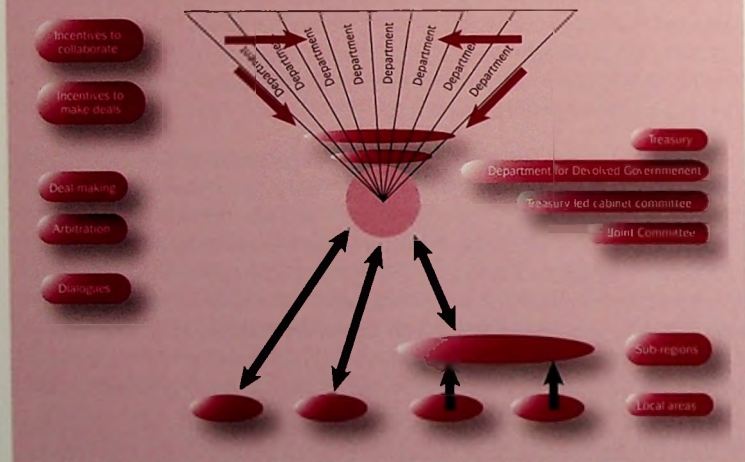
Arbitration and scrutiny

The interaction that we describe here will be a major dynamic in public service delivery and become a key driver for public service improvement and a fundamental avenue by which central government can seek to have its objectives met within the finite resources that it possesses.

As the Total Counts so ably demonstrated, the majority of resource and responsibility is held at the centre. The ponderous history in the last few decades of devolution has indicated a reticence in the centre to devolve. Experiences under MAAs and LAAs and other models have demonstrated that Whitehall reticence to devolve is likely to remain a significant barrier to reform.

A fair system of arbitration is required to ensure that sound devolutionary requests are considered fully and fairly. Not only national voices but also

local voices would have to be heard. A new constitutional arrangement should be embarked upon which synthesises the roles of council leaders and parliamentary select committee chairs, and which brings together national and local scrutiny. We therefore argue that *a Total Place Progress Joint Committee, comprising a representative from each existing Regional Leaders Board and the Chairs and vice-chairs of the Treasury, CLG and PASC Select Committees, should be constituted to sit six times a year in public to scrutinise progress and obstacles in the Total Place agenda.*

Financial accountability

Any reallocation of resource and responsibility brings with it issues around financial accountability. Permanent Secretaries are currently accountable for their departmental budgets. When services are devolved, the relevant council chief executive should become the 'Accountable Officer', with democratic accountability to the council leader. This understanding could be underpinned by open book accounting as is used in private sector partnerships to build trust across the sector.

Recommendation: We propose that, where specific resources are delegated from the centre, **financial accounting responsibilities be devolved down** from Whitehall civil servants to council chief executives who would be accountable to local council leaders.

Implications of the model

Under the model we propose above, councils, as locally democratic elected bodies, would lead strategic commissioning in their area. This would include the key components of evaluating need, assessing options for delivery, commissioning and then monitoring of the process.[149] They would carry out the strategic commissioning functions for their extended democratic mandate (including police and PCTs) and also for any additional services agreed between the centre and the locality through a Proposition. Operational commissioning could still be delegated to specific agencies to pursue.

Such a scenario would have significant implications for how the local and national state operates and interacts. It would transform Whitehall from

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[149] CBI / LGA, *Commissioning strategically for better public services across local government* (2009)

ies of departments related to their specific agencies towards an
ard-looking strategic function interested in establishing and monitoring
ements made with local agencies. Whitehall would therefore be smaller
would be unable to micro-manage local policies.

10 *Cultural change for collaboration through leadership*

Introduction

Whatever the architectural reforms instituted across and between the local and national state, without a step change in the approaches and capability at the local level, then improvement will remain stilted. We have set out how we can try and remove the most obstructive barriers and disincentives to joined-up government. Across government and public sector bodies more generally there should be a new suite of approaches to promote the culture of shared leadership and shared vision. The cultural collaborative work that Total Place and unofficial pilots have invested must be sustained. Through the period of change and beyond, strong local democratic leadership and effective managerial leadership is fundamental to allow our new network model to flourish and prosper.

The importance and nature of leadership

In taking these Total Place approaches forward – whether it is leading the re-design of services, tackling difficult political questions or managing change within the organisation and among partners – leadership becomes an increasingly valuable and sought-after commodity.

Traditional notions of organisational leadership have been challenged in recent years through the emphasis on 'place-shaping'. Total Place drives this democratic role a stage further and adds additional complexities. In the first place, our political horizons often extend to the four and five -yearly elections that emerge. However, much of the change and many of the interventions require longer-term perspectives that can transcend these short-term hurdles. To sustain reform, therefore, politicians must be convinced of the long-term vision and associated benefits. This requires a political leadership which is highly connected with the population it is serving, alert to the opportunities and challenges being presented and able to unite in driving a vision for, and raising the aspirations of, the locality. To do this, Total Place pilots are showing that leaders need to step out of their traditional roles, engage more

actively with the communities that they serve and connect more positively with their fellow leaders of place.

Underpinning this is also a change in the nature of leadership. As the Chief Executive of Bradford City Council has commented,

Transformational public services are about supporting and enabling people to make transformational change in their own lives. Ultimately, service performance outcomes can only ever be measured in individual units, by improvement in the life chances and quality of life for local people. Therefore, total place provides a framework for us to rethink the relationship between citizens and the state. In terms of its community leadership role, good local government can and will be a really effective fulcrum for these new relationships with informed and empowered citizens. [150]

Finally, change itself requires leadership in the form of readiness to innovate and chart new territory and the ability to ensure momentum and confidence.[151]

Whilst the role of senior leaders is significant, leadership should not be interpreted simply as top executives and directors, but rather as a whole organisation concept where managers of all tiers and frontline staff have the necessary, and in some cases differing, leadership scope and skills to encourage a culture of innovation and collaboration. This opens up particular problems such as organisations struggling to convince and persuade middle management teams of the need for change and take them through this journey, and scepticism from front line staff and communities about the intentions of strategic decision makers. As a Director of Policy noted, there tends to be 'Chinese whispers and dilution as the message goes down through middle management.' [152] Therefore integral to leadership approaches should be the effective means of engaging and communicating with staff and communities at all levels.

150 Tony Reeves, 'Place shaping, service shaping', *Municipal Journal*.
151 The Essex County Council major partnership with IBM to implement a £200m savings programme and improve customer services was carried out with strong leadership from the top of the organisation. Presentation by Director of Procurement, NLGN event April 2009; James Illman, 'IBM wins key Essex contract', LGC, 24 June 2009.
152 Interview

Developing collective leadership of place

Total Place pilots have indicated the potential for developing closer partnership working through experiential learning and collaborative arrangements for collective leadership of place. This will require a cultural shift away from traditional styles of leadership. Whether or not cultural change is perceived as a pre-requisite to service transformation, it is clear that the two are inextricably linked, and it is committed partnership working, leadership and thought change that will enable the most positive impact on local outcomes. [153]

Case Study

Suffolk The Lives We Lead, the Leaders We Need

Suffolk's approach explicitly started off with cultural change as a means to enable and sustain service transformation. The council and its partners have sought to create collaborative, place based leadership, which involves senior decision makers engaging directly with local communities and 'rolling up their sleeves' to identify how services can be delivered better and differently for the benefit of residents.

A network of 22 public service leaders have used a collaborative enquiry approach, and their contact with real people and real problems on the ground to ensure the development of public services is done within the context of citizens and their families, particularly those which have previously placed disproportionate demand on all public services. This enables the development of services that meet local need, and also addresses broader issues of raising aspirations and building social capital.

Partnership skills have been built upon to foster closer working and the relationships that have developed have resulted in a different starting point for partners to deal collectively with intractable problems. The collaborative is now looking at how to reduce public service costs in Suffolk by using lean systems thinking to get front line staff across agencies to redesign services collaboratively cutting out duplication,

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153 Audit Commission, *Working better together? Managing local strategic partnerships* (2009)

waste and bureaucracy to get better results for customers. Initial focus areas are antisocial behaviour; high demand families and apprenticeships.

The type of networking, partnership and deal-making that will take place across horizontal and vertical partnerships requires new methods to share perspectives, swap experiences and confront new challenges. This is not the kind of leadership that can be learned in a classroom, and it is 'learning by doing' as the Suffolk Case Study above indicates that enables local leaders to develop appropriate solutions to local problems and to have the confidence, trust and understanding to carry them forward.

Total Place working had sought in many cases to take people out of their comfort zone. Rather than focusing therefore on formal leadership training, it was about situating leaders in challenging environments where they could take new perspectives on the challenges of their communities and engage with residents. New and innovative solutions can fall out of this and opportunities that were previously hidden within silos can be maximised.

Part of the wider engagement strategy possible through a Total Place approach involves much closer interaction between councillors and managers and the frontline experiences of customers to better inform decision-making, policy-making and service design. For instance, some pilots had seen councillors and other public sector leaders spend a night out following a police operation and seeing at first hand the problems that the place faced. To ensure longer term sustainability, the empowerment of frontline staff will be imperative if areas are to harness the wealth of knowledge they hold about the customer base and the issues affecting communities.

Whole Public Service Leadership

Emerging models also offer new opportunities for cross-fertilisation and the initiation and maintenance of a high quality leadership cadre across the public sector, aware of a wide range of perspectives and having greater exposure to different ways of working. This is relevant to both 'local local' and 'national local' ways of working. In recent years, Whitehall has benefited by drawing in senior local government staff into the higher echelons of the

civil service.[154] Is it only coincidence, one might ask, that Total Place is being pushed in Whitehall by two former council chief executives now in the senior civil service? Our model of Place Proposition Agreements may well generate a series of projects where senior civil servants can acquire experiences of service delivery nearer the ground.

Due to our inherited practices, behaviours and structures, leadership has primarily been a one-dimensional dynamic – within Whitehall or the local place, and in many cases within individual organisations. The goal therefore, as one chief executive put it, should be to 'create a leadership space across silos'. However, the types of skills required and the benefit of new experiences from different corners of the state, are all conducive to more integrated collaborative leadership models across the state. Such approaches would allow for a wider diaspora of thought change to percolate across the public sector. This should not simply be with existing talent, but emerging talent should be presented with these wider opportunities and perspectives. In line with this we suggest that *a Governing Britain Fast Track Scheme should be introduced to widen the knowledge and experiences of the next generation of public service leaders.*

The potential to align leadership programmes and academies would serve to overcome some of the existing barriers to more collaborative leadership and management and enable greater movement across the public sector in undertaking the work of 'public servants' in the round.[155] It would make sense therefore to bring learning and leadership together across the public sector and the report recommends that *the National School for Government and the Leadership Centre for Local Government should establish a Collaborative Leadership Academy to spread learning, sharing, networks and academies (managerial and political) and allow interplay between senior Whitehall staff, other public agencies and local councils and other locally based bodies.. This should include a significant element of experiential learning.*

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154 Heather Jameson, 'Trading places for Whitehall', *LGC*, 11 February 2010.
155 Interview.

> ### Case Study
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> #### *Gateshead and the Public Service Academy*
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> *The establishment of the UK's first Public Service Academy in Gateshead recognised that public sector bodies throughout the UK face similar challenges in recruiting, retaining and developing good future leaders. The purpose of the Academy included raising the skills and knowledge of its current and future workforce so they can deliver better services to people in the community. Key learning from the project identified:*
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> - *working in partnership achieves much more – managers learn from difference as well as similarity;*
> - *the benefits of investing time at the beginning building relationships and the team;*
> - *the need to review partnerships regularly to help realise strategic aims and capitalise on opportunities.*

Learning from leadership models such as those in Gateshead, Kent and elsewhere suggests that *local areas replace sectoral leadership training programmes with wider public sector leadership academies.*

In addition to developing the appropriate knowledge and skills base, effective working relationships can be key to enabling success. Leeds Castle's Leadership Alumni was established to bring about personal connectivity. Eighty-five senior leaders and chief executives who previously completed the leadership course come together to refresh skills learnt on the programme, work on topical issues and spend time strengthening their network of top political and managerial leaders in local government.[156]

Finally, work in some pilots has questioned the traditional collection of leaders that are gathered around the table. For instance, Worcestershire has assembled a range of local leaders from across sectors and civil society, who have the influence and executive scope to put collective will into action. Evidence from a number of the pilots suggests that there should not always be simply a wholly public sector dimension to local leadership. The Voluntary

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156 http://www.localleadership.gov.uk/delivering/leedscastle/

and Community Sector is uniquely placed to engage with and represent the views of communities. Underlying apprehension about the role of the public sector and potential consequences can lead to some groups choosing not to engage with official bodies. Similarly the private sector has its own unique set of attributes in terms of its influence on investment, employment, skills and training, all of which can have a significant impact on communities.

Case Study

Worcestershire's Shenstone Group

The Shenstone Group has been developed in Worcestershire to ensure that effective leadership that cuts across sectors and civil society is integral to the sustained success of a Total Place approach. Operating more broadly than the public sector, the group comprises a cadre of 26 key strategic leaders drawn from across civil society to form a thinking laboratory to secure long term improvement. Membership includes representatives from Business and Commerce, Local Government, Third Sector, wider Public Sector, Education and Civil Society. Accountable to the Worcestershire Partnership, they develop thinking and engagement focused on practical outcomes. Relationships are built based on a track record of working together towards common goals.

Only a collective leadership journey across sectors will enable the 'total place' to feel the positive impact of service transformations.

11 *Converging systems on the citizen*

Introduction

To remodel our public service tactics, we must seek to break our existing cycles at each point - this means moving away from systems that reinforce siloed working and instead adopting operations that not only facilitate a true focus on the citizen also but ideally encourage a cultural change within and across all public bodies.

A base from which to decide

Effective evidence base

To allow the public sector to act as one, it must be underpinned by a common evidence base. This must provide comparability across traditional investment options and the increasingly complex cost-benefit analysis that needs to be considered when preventative or early intervention approaches may be appropriate. As one council executive noted, 'too often reform is held back because there is insufficient evidence to justify risk-taking in the way resource is allocated.' Such a shared and robust evidence base is especially critical when resource and responsibility is to be pooled at a different spatial tier. As a senior civil servant noted, through early intervention the 'normal approach to cost-benefit doesn't work – [it needs] to be more sophisticated.'[157]

Manchester City Region Pilot is has investigated the type of evidence needed to support the introduction of early intervention approaches. The City Region has drawn on in-depth research carried out by Washington State University Institute for Public Policy. This research has suggested that robust and pertinent cost-benefit analysis is necessary to understand which preventative programmes would be worthwhile investments.[158] Birmingham's 'Brighter Futures Strategy', developed with the Washington State Institute and the Social Research Unit at Dartington, is also at the forefront of this thinking, and is further building the case for evidence based, cost benefit analysis. The Strategy seeks to develop

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157 Interview.
158 For instance see Washington State Institute for Public Policy, *Benefits and costs of prevention and early intervention programs for youth* (September 2004). This demonstrates the extremely wide variation of cost-benefit between different programmes.

a culture of using evidence based programmes to improve outcomes and cost efficiency around integrated Children's Services. An Intelligence and Analysis Unit provides analysis and rapid-piloting-evaluation for all partners, and also acts as a national resource and prototype for developing the approach to early intervention.

The justification for an emerging evidence base raises three further points. First, there is already significant evidence available especially in the USA about which types of programmes have succeeded or failed the cost-benefit test. Efforts to transpose lessons about the conditions for success should be explored. Second, there is a danger that we fail to calibrate effectively the next generation of risks — both in relation to each other but also between our current generation of approaches and those of the future. A related danger is that we over-estimate the risk of change whilst ignoring risks associated with inactivity. NLGN recommends that *methods be explored to identify common tools and methodologies that can be transplanted to develop early intervention cost-benefit analysis. Consideration should also be given to developing outcome and performance metrics that would facilitate potential private sector investment into these schemes and / or would give the certainty to public sector organisations as to how, where and when benefits would be reaped.*

Customer intelligence and data use

Total Place offers many ways to make more of the data that is held across government to respond better to the citizen. There is a need to catch up with the best from the private sector who can track every transaction and can map interests, patterns, needs and expectations of catchments of people. The problem is twofold. First, data should be used more sensibly to enable the reduction of appointments, assessments and applications across the public sector. Second, sophisticated profiling of the population puts the public sector in a more privileged position to provide a more personalised and relevant service.[159] The development of services should be based on a holistic view of customer needs, which reflects thoughts and feelings relating to customer journeys and experiences, as well as statistical information about demographics and lifestyle issues. This will enable the development of a solution that

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159 Nigel Keohane, *People Power: how can we personalise public services?* (NLGN, 2009).

has an over all impact on wellbeing. Customer intelligence gained through the development of a two way relationship is fundamental to the emerging solutions, whether they be early intervention and prevention, intensive support, seamless government and reduction of assessment. In turn, customer information can open up new community engagement techniques.

Strategic and integrated commissioning

Strategic commissioning across a 'place' is emerging as a crucial component to many of the answers.[160] Integrated strategic commissioning offers a route to combine priorities at a crucial stage of evolution of public services in an area. For Salford, for instance, joint commissioning strategies are being considered in family policy as a means to integrate the many agencies involved.[161] A number of leading local authorities such as Torbay, Westminster and Salford are moving to strategic commissioning models that conceive the local authority as a commissioning rather than service delivery body. Under these approaches, the council sits at the centre of a public sector commissioning hub.[162] In a situation where an enhanced Public Service Board is established and accountability for wider outcomes in health and community safety introduced, community outcomes, delivery options and resource can be considered in the round.

Strategic commissioning approaches such as in Torbay can take into consideration wider consequences such as the effect on local economic prosperity.

Case Study

Torbay Council and strategic commissioning

The radical change was heralded by the formation of an NHS Care Trust; one of less than a handful in the country, this new organisation brought together over a thousand NHS Primary Care Trust staff and

160 For instance see Leicester and Leicestershire's approach to drug and alcohol misuse. Leicester and Leicestershire, *Total Place Report* (February 2010), p. 9.

161 Interview.

162 Nick Sharman, 'The opportunity of a lifetime', *LGC*, 26 January 2010.

local authority adult social services staff, and their support functions such as finance and human resources. It also brought together pooled funds in a wholly new way.

Grant Thornton analysed alternative delivery models for the area and recommended that Torbay Council make the decision to become a 'strategic commissioning authority'. Traditional chief officers were replaced by Strategic Commissioners with an outward looking role focussing on outcomes not processes. A new relationship with internal suppliers of services more akin to those experienced with external suppliers was introduced. Overall the quality and outputs of internal supply have led to improvement, greater efficiency and better outcomes. Concurrently, a newly-formed arms length Development Agency took greater strategic oversight of economic growth and prosperity. The correlation between deprivation and economic well-being was finally understood, agreed and grasped as was evidenced by the local sustainable community strategy.

A needs-led, outcomes-focussed approach to strategic commissioning underpins Torbay's strategic commissioning framework. Instead of commissioning partnerships that concentrate only on health and social care, or the delivery of local area agreements, Torbay's framework deals with the whole ('total') place. It is based on the premise that:

a) all total public sector spend should be considered in the area in order to maximise the return on that investment, and
b) commissioning actually happens at a number of levels from executive (local strategic partnership) to citizen.

Accountable to the local strategic partnership, four strategic commissioning partnerships with public, private and third sector representation have been established. These form the cornerstone of the strategic commissioning framework.

Decommissioning

Commissioning and decommissioning should go hand in hand.
Decommissioning – the other sharp edge of the service transformation sword –
has long held significant fear across the public sector. Decommissioning major
projects or programmes brings risks that in sunnier financial climes could have
been postponed or perhaps even ignored; in a scenario of significant resource
restriction and service re-design, these should be confronted head-on.

Ultimately, decommissioning requires a holistic view of public services – for
politicians, public servants and also the public itself. Whilst the professional
objections and vested interests may be easier to understand, transforming
a service radically requires managerial and political leadership, effective
application of evidence, re-design techniques and clear engagement
with those in society who will see a change in the 'offer' with which they
are presented. Quickly, therefore, resource allocation becomes sensitive
and political. Without strategic intelligence, stopping a service may have
potentially significant impact on service users and political careers.

Such methods put an onus on greater synchronisation of budgeting time-
tables so that investments are increasingly considered together neutrally.
Birmingham and Worcestershire are both exploring how to establish com-
mon principles and timings for budgeting as a corollary of effective strategic
decision-making and commissioning within the partnerships. Principles of
open book accounting should also be abided by to increase understanding
among partners and ensure read across between local partner budgets and
investments.

Future shape of the local public sector

Changing purpose of the local public sector

Organisations themselves are being transformed into more organic bodies to
generate and interpret evidence, design effective services, carry out integrated
case management, commission, and make deals between local and national
bodies. Judging on historical trends and the work of the Total Place pilots and
non-pilots, new demands on the local public service are likely to centre on:

- co-production and co-design of services and citizen engagement

- readiness and openness to innovation and adaptability

- customer intelligence, engagement and responsiveness

- frontline case management and decision-making

- coordination, partnering and leadership skills

- commissioning and contracting

- deal-making with the private, third or public sector partners

- evidence-building and sophisticated financial management

In light of these emerging transformations, this report recommends that local areas should look to build capacity in *skills and competences especially around financial, project and change management and citizen engagement.*

Citizen focus, engagement and responsiveness

Pilots indicated the importance of frontline engagement in driving and shaping innovation. As Coventry, Warwickshire and Solihul have found, there has been a renewed emphasis on empowering frontline staff and using their stories to help shape and re-design services.[163] Meanwhile, integrated case management was seen as key to enabling complex and multiple activities to be marshalled efficiently. The study by London Councils has proposed integrated case management that would see 'more flexible end-to-end management and organisation of the public service' for an individual or a family.[164] This would be overseen by a key worker or case officer who could draw on resources and assistance as and when necessary and guide the citizen through self-direction, self-assessment and service choices. This approach would create clearer lines of accountability back to the citizen and force all public servants to leave behind their professional cultures.

163 Coventry, Solihul and Warwickshire, *Total Place Update Briefing* (27 November 2009).
164 London Councils and PwC, *Total Place – towards a new service model for Londoners* (2010), pp.16-20.

Lean and Systems Thinking

The purpose of lean management is to 'configure assets, material resources, and workers in a way that improves the process flow to the customer's benefit while minimizing losses caused by waste, variability, and inflexibility.' Local government has been slower than other parts of the public sector – such as health and HMRC – in adopting these techniques.[163]

This has particular relevance to Total Place for a number of reasons:

- Lean focuses on the experience of the customer to drive service redesign, a key focus of Total Place.

- Looking at systems across departmental and institutional silos and barriers, provides a greater opportunity for identifying radical change across a locality.

- Lean management requires the organisation and its personnel to adopt not only different processes but also critically to establish different behaviours. The cultural challenges and behaviours that are crucial to Total Place give this added resonance.

- Flow and demand responsiveness and management reflect concepts of 'public value'.

Structures across public services

Public bodies are likely to see a further stretching out and fragmentation of the management tier of government. The Conservative Party's recent proposal to encourage public sector worker co-operatives underscores the types of changes that are likely to emerge over the next decade. [166] As new responsibilities, new alignments, new engagements with citizens and new alliances take root, we are likely to be left with a radically different organisation than we started with.

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165 N. Bhatia & J. Drew, *Applying Lean Production to the Public Sector* (2007)
166 'Tory 'worker co-operatives' plan', *The Times*, 15 February 2010.

Bringing public servants together is a major challenge. Part of the solution lies in systematic measures: the London Borough of Hammersmith and Fulham and Herefordshire County Council among others have merged senior managers between their respective local authorities and PCTs. In the case of Herefordshire this has included not simply the Chief Executive but also the management team. Despite some continued scepticism from clinicians about the ability of a non-medical professional to lead them,[167] there have been positive benefits from such integration. Conservative Party proposals officially endorse this approach with their Director of Public Health being a joint appointment across the PCT and council. One council not involved in the official pilots was being even bolder and considering introducing joint induction, joint competences, common language in advertising, rationalising the training offer and aligning training across all partners in a local place. It was even thinking ahead to the possibility of an integrated local area workforce. This line of activity should be pursued more widely and *local areas should look to develop joined-up public service workforces. These should include harmonised terms and conditions and rewards to allow proper and easy transmission of staff between different agencies and fewer artificial differentials, with the potential prospect of an integrated local public service.*

Creating neutral spaces

Asset trusts

As noted earlier, identification with organisations and the buildings they work in remains a significant barrier to effective joined-up government. Borrowing from notions of the benefits of constructive tensions, co-location and co-hosting of staff can be undertaken as a positive step to force different parts of the public sector to confront their preconceptions. [168] Alternatively, a number of steps can be taken to minimise this sectoral rivalry by ensuring that asset management and decisions are as apolitical as possible and thus allow for the effective use of publicly-owned assets in the interests of the whole public sector and the community.

167 Interview.
168 Nigel Keohane, *Leading Lights* (NLGN, 2009).

Case Study

Worcestershire County Council and Asset Management

Worcestershire's innovative approach has been based on a number of fundamentals including:

- *Intelligence and a database and map of assets, usage and scope*

- *A protocol signed between partners that establishes assumptions for partner expectations*

- *A 'Property Club' that allows exchange of information about needs and opportunities*

Worcestershire's Asset Management programme has developed the vision of creating a Public Estate Trust for local public sector assets. The trust would mean that properties were held in a neutral space with organisations renting these back off the body.

This approach to property utilisation would lead to significant revenue savings on facilities management, energy, maintenance and related costs of between £10m and £15m per annum from a total current spend of £140m i.e. about 10 per cent. The area also forecasts that approximately £0.8bn - £1.2bn of capital receipts could be realised over 10 years, although a proportion of this would be offset to meet associated costs.[169]

This same lesson could be replicated for wider service delivery. Joint ventures can act as neutral spaces within which to channel strategic commissioning such as Salford Urban Vision. Meanwhile, Kent's Gateway scheme offers a local public service brand with which the 40-plus organisations that sit under it can identify.

The financial conundrum of early intervention

As noted in Chapter 4, many pilots had explored the opportunities for early intervention in services. In some cases, challenges arise in that the benefits

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169 Worcestershire Total Place Final Pilot Report, 2010.

that accrue are long-term in nature. Many early intervention approaches presuppose the ability to run existing operations to serve the emerging cohort whilst also continuing to run traditional services for the current group of clients. This should be facilitated where possible by *extending budgetary cycles to a rolling three year rather than one year cycle.*

Although the Treasury have indicated a willingness to try and circumvent these challenges in worklessness through the 'AME-DEL' approach, there is little sign that this model of front-loading investment is to be rolled out to other parts of the sector. Two further options lie open – first, bringing in private finance revenue models. The latter could either take the form of simple outsourcing or could be akin to the PFI currently used for capital infrastructure. An agreement between the commissioning authority and the private sector investor would set out expectations for the outcomes that needed to be achieved and risk and reward would then be passed down to the private sector over time. For this to be achievable the public sector would have to be able to articulate the risks and rewards in sufficiently clear terms to win private sector business. To this end, *as a matter of urgency, HMT and the LGA should investigate social bonds and private financing mechanisms to provide investment into early intervention services*

A final option would be for a portion of any savings made through Total Place to remain in the local area and to be hypothecated to future early intervention approaches thus creating a sustainable cycle of long-term investment. Local areas could pool their pots to act sub-regionally. Considering the state of the public finances and the significant potential costs of savings, any requests for significant set-aside are unlikely to find favour. However, we argue that *five per cent of all savings made through Total Place approaches should remain in local early intervention pots for future investment.*

12 *Next steps for change*

A series of balances are fundamental to successfully phasing the public service reform that we set out above: between short-term financial savings and long-term benefits; between ensuring the 'easier wins' whilst also progressing radical change into the future; between maintaining momentum and avoiding crude roll-out strategies; between the natural desire for a one-off solution and the more evolutionary and asymmetric reform that could take place.

Total Place as organic change

Reform requires a change in mindset to accompany a long-term transformation of public service approaches. It necessitates a greater will and capacity to lead at the local level and a readiness within the centre to let go. Hard architectural and financial reforms as well as capacity building and mechanisms to support cultural change are necessary to re-design the parameters within which people operate and make decisions.

However, the temptation to roll out lessons or treat Total Place simply as a traditional programme should be resisted. Public services are prone to adopt a 'problem, better future, method, implementation' model. Traditionally, this has been mapped out as follows:

- Central government articulates the problem and vision.

- Local authorities pilot the wisdom of the vision and method to attain it.

- Methods are either rolled out across the country or not at all.

Such approaches rarely develop optimum solutions, particularly within differing local areas which experience a varying and often unique set of problems. Moreover, the 'whole government' nature of Total Place and the innovative approaches undertaken by pilots suggest that we need more subtle change where there is greater discretion and greater room for adaptation over time, where responses are recognised as evolving organically rather than being static and where local solution re-design is iterative rather than one-off.

The context for change

The financial context is clear. It cannot be ignored or willed away. The financial downturn is in many ways an opportunity to innovate. The pilots are demonstrating that there are a range of savings available in the short, medium and longer term. Conversely, it is clear that much at the heart of Total Place represents a long-term transformation which cannot simply be conceptualised as a short-term efficiency agenda. Many preventative approaches will have to run in parallel with existing provision while new arrangements take the time to bed-in and benefits to the service user are realised.

Equally, any change brings disruption and may awaken opposition. Disruption could be expected to include employee relations, contracting, procurement and commissioning; financial change; and provider markets. Some of the change will involve pain and will likely elicit opposition from entrenched vested interests. The most obvious example is the impact on the public sector workforce. As one chief executive told us, 'at the end of this, improved outcomes at lower cost mean fewer people working in the public sector – we all know this.'[170] Judging by past experiences and some interviewees, the sheer scale of potential change within local councils and partnerships may also no doubt be a destabilising factor.[171] Meanwhile, as Guy Clifton has argued in *The Times*, we should also be alert to the 'unintended consequences' of reform – such as the impact of different delivery approaches on the local economy and employment.[172]

The phasing of change

Our reforms above reset a new and higher baseline for public services and offer the prospect for ambitious and leading areas to take on additional responsibility and resources. They would articulate a crucial type of commitment from the centre that a new era of public services was emerging and would allow local areas to respond with greater energy, discretion and conviction to the emerging financial constriction.

In the short-term, work must get underway to progress manageable and

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170 Interview.

171 Margaret Atwood et al, *Leading change: a guide to whole systems working* (Bristol Policy Press, 2003); Interview.

172 Guy Clifton, 'Total Place shows how crucial local action is to efficiency', *The Times*, 25 September 2009; Guy Clifton, 'Not the total story', *Public Finance*, 30 November 2009.

verifiable methods for saving money that are in harmony with the place-based approach to public services. *We propose that areas undertake immediate and then ongoing public mapping exercises of revenue resources and capital assets in their areas to kick-start the efficiency process.* Delegation of public health and local policing responsibilities will unlock new economies of scope in local areas. In the former, it will also enable areas to align adult social care and community health services, and to work more effectively through all agencies to prevent acute illness.[173] In addition, local areas should look to exploit the scope of the 'Place Proposition Agreement' that NLGN is putting forward. As NLGN has argued previously the budgets of the Skills Funding Agency and the Young People's Learning Agency should rightly come under scrutiny for devolution.

As this short-term transformation occurs and capacity builds, the medium and longer-term future should also be invested in. This means exploring the options for launching early intervention pilots and prototypes, gathering evidence on the effectiveness of schemes and establishing more robust business cases for the purposes of investment. New financing models should be explored which push these models to the key litmus test of whether the private sector would consider them a fair rate of risk and return. Where possible some savings must be set aside to allow for the longer-term investments that can reap huge rewards in terms of costs and people's lives in the longer term. Capacity with the public sector to meet these financial rigorous tasks must be built up.

Finally, as the pilots have ended their official cycle, momentum must be maintained to sustain the cultural collaboration and techniques that run Total Place. The emerging challenges, the financial context and the historic hangover of our old approaches will put a premium on commitment and leadership – both managerial and political, both local and national. Our political world revolves around four and five-yearly political cycles. Commitment is needed to engrain collaboration, avoid short-termism and retain a focus on the citizen.

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173 London Councils, *Manifesto for London* (2010), p.9.

13 *Conclusions*

As Sir Michael Bichard has said, 'This is a moment when people are listening ... this is the burning platform'.[174]

However, there is a danger that when we jump, we jump at the wrong time or in the wrong direction or simply not far enough.

We have set out above the crucial timing of reform. If cruder efficiency methods take hold before Total Place has articulated what it can contribute, it may be denuded of its potential by an over-eagerness to squeeze it dry before sustainable public service models have been introduced.

At the same time, there remains a major risk that we jump in the wrong direction.

There is a danger in a lack of ambition and commitment within the public sector towards the financial efficiencies that can and should be made and in the potential and scope for collaboration across the state and citizen focus. Concerns that Total Place is simply a Trojan Horse for budget cuts may have historical precedents, but there is no secrecy now over the need for financial restraint. [175] Hand in hand, cynics might perceive a national state eager to devolve what may be politically difficult decisions to be managed at the local level. But, such pressures also present opportunities.

Finally, are we ready to jump far enough? Judging from history the most significant danger remains the readiness and capacity of the whole public service to converge around the needs of the citizens and to confront difficult operational questions and challenging political discussions.

The barriers that stand in the way are immense. Our focus on 'place' and the citizen is currently undermined by a series of forces that run counter to this ideology. Professional, organisational and sectoral cultures and practices undermine a unified focus on the citizen. The vertical arrangement of resource and responsibility has designed a public service that is unwilling

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174 Speech at NLGN Annual Conference January 2010.
175 James Illman, 'Fear that Treasury will focus on savings', *LGC*, 4 February 2010.

to pool its resources and often unable to decide on shared objectives in an area. Top-down control has undercut the scope of local leadership and the discretion and innovation needed to respond to future challenges. These remain major obstructions. Previous public service reform has tried and failed to circumvent them.

If we can design solutions to these age-long problems and avoid these pitfalls then the concept will surely run. And when it does we should find it opens questions that should have vexed the public services and society for decades and more.

Appendix 1 *Full list of recommendations*

Increased local accountability and discretion

- That **accountability over public health budgets and local policing** should be devolved immediately to all local areas.

- That the Government should pursue the **Local Government (Overview and Scrutiny) Bill** and ensure that Council Leaders can sit and hold the full array of local partners to account including all NDPBs that deliver services in their area and other parts of the state that have greater professional independence such as head teachers, GPs and dentists.

- That councils should strengthen existing Local Strategic Partnership arrangements and establish and **lead Public Service Boards** which should be invested with statutory powers.

- That the **Local Authorities (Goods and Services) Act 1970**, which does not recognise the collaborative, coordinating role that councils play with the full range of partners, should be repealed and superseded with a **General Power of Competence**.

Place Proposition Agreement

- That the Government should establish a model of **Place Proposition Agreements**, which would be shared agreements between the national and local state to devolve responsibility and resources down to the local level. These should build on Local Area Agreements but include hard edged deals on responsibility over agreed outcomes, risk and reward. In addition, where requested by a local area, government should also cede through this process control over ring-fenced budgets and specific performance targets.

- That a **Treasury-led Cabinet Sub-Committee** be responsible for executing the negotiations on behalf of Whitehall and making the deal. Greater negotiating authority and capacity should be given to the civil service contact points for these agreements, whether at CLG, HMT, Cabinet Office or Multi Area Agreement teams.

- A **Total Place Progress Joint Committee**, comprising a representative from each existing Regional Leaders Board and the Chairs and Vice-Chairs of the Treasury, CLG and PASC Select Committees, should be constituted to sit six times a year in public to scrutinise progress and obstacles in the Total Place agenda. This Committee would represent a **new constitutional departing point** and innovation, synthesising the roles of council leaders and Parliamentary Select Committee Chairs, and **bringing together national and local scrutiny**. This Joint Committee should also **hold Whitehall departments and Ministers to account on cross-departmental strategy setting** and interaction with localities.

- To incentivise Whitehall departments to participate in greater collaboration, we propose that for the first three years of the Place Proposition Agreement process there should be a **minimum mandated five per cent of total revenue expenditure dedicated year on year** through these channels. There would be no upper limit and would apply to all domestic departments.

- That CLG should be merged with the other territorial departments of the UK (Scotland Office and Wales Office), incorporating the Cabinet Office and constitutional elements of the Ministry of Justice, to create a new and leaner **Department for Devolved Government**.

- That methods for providing **assurance to central government** should be explored so that Ministers can be encouraged to delegate responsibility. These should include the possibility of developing legitimate methods of redress, intervention and support within the local government family, with the establishment of an **LGA Rapid Response Team**. This should be funded by top-slicing RSG.

Performance management and funding

- That central government channel its priority outcomes through established procedures such as the **Local Area Agreement** rather than through other means. Achievement against LAA outcomes should then form the **basis of performance assessment** for all parts of government.

- Where there is **duplication of reporting,** that common reporting mechanisms are established (for instance the NHS's Vital Signs

framework correlates to the NI set but are currently reported separately).

- That a **single capital pot** with greater longer term certainty should be given to local areas to encourage them to think innovatively about how the regeneration and infrastructure priorities of an area can be met.

Driving collaboration and focus on the citizen

- That the principal **Performance Related Pay for Whitehall Civil Servants** should be evaluated on the basis of two criteria: improved outcomes in their designated policy area and their commitment to collaborative working across Whitehall and across tiers.

- That all **PRP for all senior managers in all local public agencies** should be linked to outcomes as agreed in LAAs and Place Proposition Agreements.

- That the National School for Government and the Leadership Centre for Local Government should establish a **Collaborative Leadership Academy** for cross-government leadership development. This should include a significant element of **experiential learning**.

- That a *Governing Britain Fast Track Scheme* should be introduced along with cross-sector talent management

- That local areas replace their sectoral leadership training programmes with wider **public sector leadership academies.**

- That specific **skills and capacity building** be provided around financial, project and change management and citizen engagement.

- That local areas should look to develop joined-up public service workforces. This should include harmonised terms and conditions to allow proper and easy transmission of staff between different agencies and fewer artificial differentials, with the potential prospect of an **integrated local public service**.

Developing early intervention methodologies

- That methods and mechanisms be explored to identify common

tools and methodologies that can be transplanted to develop **early intervention cost-benefit analysis**. Consideration should also be given to developing outcome and performance metrics that would facilitate potential private sector investment into these schemes and / or would give the certainty to public sector organisations as to how, where and when benefits would be reaped.

- That **five per cent of all savings** made through Total Place approaches should remain in local early intervention pots for future investment.

That **budgetary cycles** be extended to a rolling three year rather than one year cycle.

Appendix 2 *Research methodology*

Many of the questions that this study considers are inter-related, sensitive and complex. For these reasons, we have employed a range of methodologies to explore and confirm findings and conclusions. Because of the nature of the debate, the principal research methods were qualitative. We have also preserved the anonymity of contributors (for a full list of contributing organisations see Appendix 3). The research methods chosen were:

- A review of background contextual and academic literature.

- Extensive review of findings from official and unofficial pilot areas, including interim findings, published updates and a number of the final reports (for which we are extremely grateful to pilot areas).

- Over fifty semi-structured interviews with:

  - those involved in all official total place pilots (these consisted of a majority of council officer interviewees along with a smaller number of partners and councillors);

  - those from ten unofficial pilot areas;

  - experts;

  - Whitehall and parliamentary officials;

  - national politicians.

- A call for evidence from NLGN's Innovation Network of local authority partners.

- A snapshot survey of senior policy and strategy officers from across local government the majority of whom were not involved in the official Total Place programme (see Appendix 6).

- Two research seminars with expert speakers and roundtable discussions, one in Birmingham and one in London (the latter with breakout workshops).

- A focus group in a pilot area (see Appendix 5)

- A Chatham House discussion with John Denham MP, the Secretary of State for Local Government, and Irene Lucas, DG, CLG and twenty chief executives from across local government.

Appendix 3 *Research participants*

We are very grateful to the following areas, organisations and individuals who were ready to be interviewed or contributed to research events (in many cases both).

Capgemini
Grant Thornton
Leadership Centre for Local Government
London Councils
Audit Commission
Birmingham Pilot
Blaby District Council
Bradford Pilot
Cambridgeshire City Council
Conservative Party
Coventry, Solihul and Warwickshire Pilot
Croydon Pilot
Cumbria County Council
Dacorum Borough Council
Department for Children Schools and Families
Department for Work and Pensions
Dorset, Poole and Bournemouth Pilot
Durham Pilot
East of England Regional Improvement and Efficiency Partnership
East Staffordshire
Essex County Council
Adam Fineberg
Government Office for the North East
Hertfordshire County Council
House of Commons Public Administration Select Committee
House of Commons Communities and Local Government Select Committee
Jobcentre Plus

Kent Pilot
Leicester and Leicestershire Pilot
LGA Improvement Board
London Borough of Barking & Dagenham
London Borough of Barnet
London Borough of Haringey
London Borough of Harrow
London Borough of Lambeth
Lewisham Pilot
London Borough of Newham
London Borough of Tower Hamlets
London Borough of Southwark
London Borough of Sutton
London Borough of Waltham Forest
Luton and Central Bedfordshire Pilot
Manchester City Region and Warrington Pilot
NHS East of England
NHS North West
Norfolk County Council
PA Consulting
Penna
Prime Minister's Delivery Unit
Prime Minister's Strategy Unit
Portsmouth City Council
Salford City Council
Sandwell Metropolitan Borough Council
Shropshire Council
South Tyneside, Gateshead and Sunderland Pilot
Suffolk County Council
Swindon Borough Council
Torbay Council
Walsall Children's Services - Serco
Westminster City Council
Worcestershire Pilot

Appendix 4 *Select Bibliography*

(for full bibliography please visit www.nlgn.org.uk)

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Parker, Simon, et al, *Shaping Up: Whitehall for the Future* (Institute for Government, 2010)

Sorabji, Dick, *Pacing Lyons: a route map to localism* (NLGN, 2006)

Appendix 5 *Focus Group Methodology and Results*

Purpose and methodology

The focus group was held with the Total Place strategy group in a pilot area. The purpose of the focus group was to explore the collective perceptions among key officers, to complement the interviews undertaken, giving particular consideration to:

- The roles and relationships between key participants, and why a Total Place approach has not been taken previously

- How the relationships between participants may need to change to enable the future success of this way of working.

Illustrative association exercise

The group was presented with two lists, one made up of the key participants involved with Total Place, the second a list of family members. Using the latter as metaphors the group was asked to identify key participants, and likened these to family dynamics and members, the following illustrative comparisons were made:

Parent: Local Authority *At the hub of the process and drives others to achieve*
Parent: National Politicians *Have had ownership of the process. Some are more engaged than others, but on the whole have provided support and responded positively*
Parent: Total Place Board *Owned the process and taken difficult decisions*
Teenager: Whitehall *Only relevant deeper within the organisation - slightly stroppy and not fully bought in to the flexibilities needed for this way of working*
Grandparent: Whitehall *At senior levels - initiated the process and provided guidance on the requirements for the pilot*
Old aunt: LSP *There when needed to give guiding advice*
Old aunt: Elected Members *Not involved at service level, and whilst part of*

the family, have been slightly distant. Difficulties of engagement attributed to the volume of Councillors to work with, and the practicalities of doing so within the timeframe of the pilots. More involvement from Executive Councillors than back bench Members

Estranged sibling: Service Users *Core part of the family, but not currently as involved as they could be*

Estranged sibling: Third sector *The size and disparity of the sector made it difficult to engage, particularly within the timescales of the pilot*

Estranged sibling: Front line staff *Called on when needed but not at the heart of the process, with one group member noting: "we come together at Christmas"*

Family Friend: Police, PCT and Fire Service *All like each other and the family, get along, and want to spend time together / work together*

Family Friend: Whitehall *Link officers have lived up to their commitment as a partner, and there is nothing they have done that the group had not been happy with*

Second cousin: LSP *A blood relative, and we like them, but slightly distant*

Moving forward

Parent: Total Place Board
**Family Friend:** Local Authority, Police, PCT, Fire Service
Core nucleus of the family: LSP, Third Sector, Elected members, Service Users.

Appendix 6 *Survey results*

A survey was carried out of senior policy, strategy and performance staff in local government. The purpose was to gain a quick snapshot of wider perceptions among local authorities, many of whom were not involved in the Total Place programme (for each question less than 10 per cent were involved with official pilots). A questionnaire including the following questions was circulated online, and circulated at two NLGN conferences on CAA and LAAs. While the numbers are not statistically significant they give an interesting picture of opinions to complement our qualitative research.

**Q1** *On a scale of 1 to 10 to what extent do you feel that Local Area Agreements have prepared the way for a 'Total Place' approach to public services? (34 responses)*

*(1 LAAs have had no relevance, 10 LAAs have fully prepared the way)*
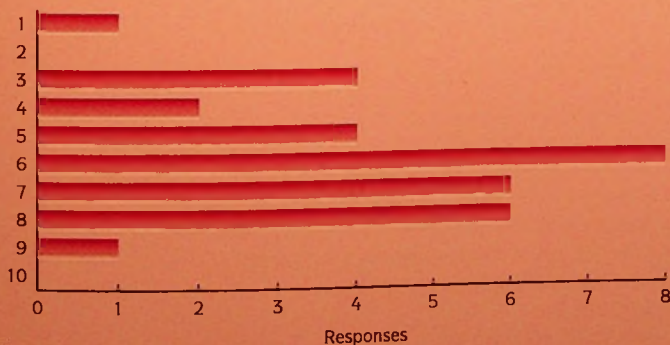
Responses

Q2 *Based on your experience of LAAs, on a scale of 1 to 10, to what extent would you say that the duty to cooperate will be a useful tool for ensuring local partners deliver on the 'Total Place' agenda? (34 responses)*

(1 it will provide no assistance, 10 it will provide all the assistance we need)

Scale	Responses
1	1
2	0
3	6
4	7
5	3
6	0
7	3
8	8
9	0
10	1
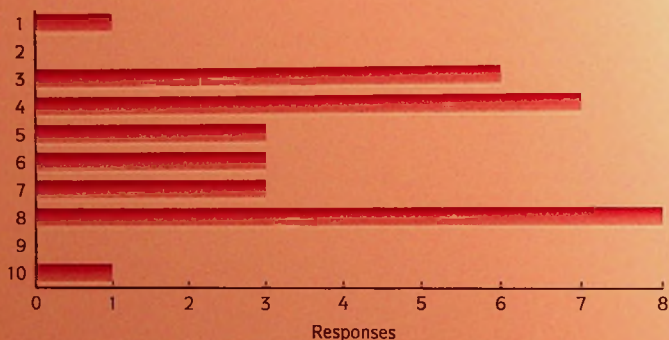
Q3 *How confident are you, on a scale of 1 to 10, that a full area-based public services approach (such as Total Place) can be implemented under our current systems and structures of governance and funding? (34 responses)*

(1 not confident at all, 10 fully confident).

Scale	Responses
1	3
2	4
3	6
4	5
5	4
6	4
7	3
8	1
9	2
10	1
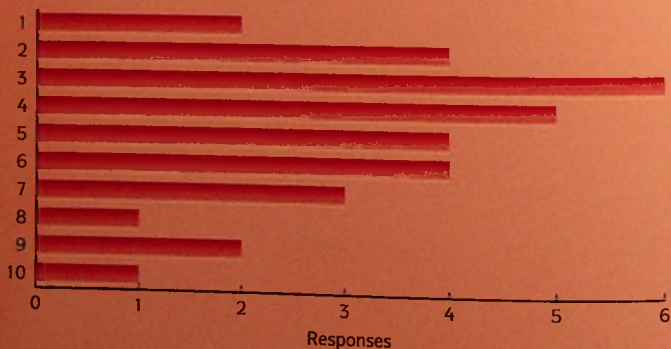
Q4. *What do you feel are the two major barriers that stand in the way of a successful area based approach to public services? (24 responses)*

(Responses were segmented by the authors)

Whitehall not joined up

Others (that received one mention each included capacity, relationship to LAAs, user focus, lack of knowledge re costs, co-terminosity, pressure on savings)

Central control and intervention

Culture

Local leadership

Performance frameworks and priorities

Lack of pooling and influence over partners

Siloed funding

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We have a strong track record of working in partnership with local authorities at a time when local government is facing unprecedented challenges, requiring a significant step change in performance and strong leadership.

The financial pressure on councils over the next few years means that there must be a radical review of how services are delivered. Demographic changes will result in a significant increase in demand for social care which will present challenges to services and workforce planning and capacity building. Expectations of public services are growing and delivering on Single Outcome Agreements and Local Authority Agreements will require a shift to operational and performance models based on demonstrable outcomes for people who use services. To achieve this effectively increased multi-agency collaboration is essential.

Capgemini has proven expertise in shaping and implementing the required shift, delivering efficiencies, changing the way organisations deliver services and improving capabilities.

We can move leadership teams towards supporting and empowering their staff to help drive through more timely and innovative approaches to local service delivery. We have end to end capability that considers the people, processes and technology factors in any organisational change programme. We make delivery happen.

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We are a leading advisor to local government, and have supported over 50 local authorities in the last five years, helping them and their partners to realise new opportunities and reinvigorate established systems and processes.

We offer a wide range of strategic support to improve corporate management, enhance services to customers, and maximise the use of operational resources and assets including:

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- service redesign and rationalisation;
- resource planning; and,
- mergers and collaboration.

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# Leadership Centre for Local Government

Great leaders great places

Great places require visionary leadership that paints a picture of the locality, inspiring and carrying with it local residents' hopes and happiness. Today's local leaders are at the heart of their communities and it is up to them to provide the imagination and inspiration to create a community out of a place. The Leadership Centre supports local government leaders to create the future by enhancing the political process and building effective and efficient partnerships, improving the lives of local people.

Place is a contested space for local government leaders, so our work focuses on the unique realities of the people and relationships involved to help local government leaders and chief executives to lead beyond their authority, literally so they can shape their places through engaging the voters.

The Leadership Centre is pioneering a variety of national programmes to reinvigorate local democracy and encourage talent and diversity in the next generation of local government leaders, ensuring the councils of the future are genuinely representative of, and connected to, their communities. In particular the Be a Councillor campaign is designed to encourage and inspire talented people to become local councillors, and the Next Generation programme for already high flying councillors helps develop their leadership capacity and gives them the skills to create and support thriving and prosperous communities. As part of our commitment to creating a greater sense of civic pride we are also partners in developing a a Civic Skills Programme to increase the participation of Muslim women in civic society and we are partners in a high power network of senior female leaders from across the public sector.

For more information, please visit **www.localleadership.gov.uk**.

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for local government
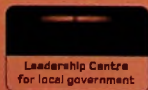
London Councils

London Councils is committed to fighting for more resources for the capital and getting the best possible deal for London's 33 local authorities.

Much of our work consists of lobbying the government and others on behalf of our member councils, not just for a fair share of resources, but also to protect and enhance council powers to enable them to do the best possible job for their residents and local businesses.

We develop policy and do all we can to help our boroughs improve the services they deliver. We also run a range of services ourselves, all designed to make life better for Londoners.

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**LONDON
COUNCILS**

Few Government initiatives or programmes in recent years have caught the imagination like Total Place. When finances are under pressure, the bringing together of public sector resources to be used more wisely in a local area makes even more sense, offering not simply financial efficiency but also improved outcomes.

Based on in-depth research across the country, this report analyses how the concept can be sustained. It argues that the behavioural and systemic barriers that stand in the way should be tackled head on and a more conducive environment be created for local areas to respond to the needs of their communities.

It concludes that significant change to the architecture and culture of government and its partners is necessary both within localities and in Whitehall. Only then will the public sector be able to think and act as one.

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Executive summary

Few Government initiatives or programmes in recent years have caught the imagination like Total Place. National and local politicians, public servants from Whitehall, the Town Hall and other local public agencies, commentators and journalists have all adopted the agenda with a surprising consensus. The key question is whether it lives up to the hype and whether the concept can practically be sustained.

At its most basic – the bringing together of public sector resources to be used more wisely in a local area – it is hardly a revolutionary concept. In fact, it seems little more than common sense. If so, the question should not be why or why now, but rather why not ten, twenty or thirty years ago.

The answer is that it has taken a financial crisis of gargantuan proportions to kick public services out of their collective slumber

What has differentiated Total Place from its predecessors is the tangibility of the product; financial efficiency but also improved citizen outcomes within the context of a 'place'. Our research demonstrates that billions of pounds of public money can be saved whilst generating significant quality of life improvements across health, employment, drug and alcohol abuse, offender management and children's services with seamless government providing immediate resolution of problems and support at the right stage of citizens' lives.

The big questions that remain are: how can the concept be sustained? If the forces of resistance defeated so many previous attempts, how can we ensure this is different? And does this constitute the next and perhaps final stage of public service reform?

NLGN suggests a series of recommendations in response to these questions:

- a new Department for Devolved Government to subsume CLG and the Cabinet Office to drive devolution across Whitehall;

- devolution of accountability over public health and local policing to local councils;

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- devolution of accountability over public health and local policing to local councils;